How to use whole life insurance for your family's future.



When we think of life insurance, we typically consider protecting our families from catastrophic events, such as the untimely loss of a life partner. This is true of *term life* policies, which are a popular choice among families with children needing high coverage now, but anticipate decreasing needs over time.

On the other hand, *whole life* coverage is an option for people who need life insurance and don't mind paying a bit more in exchange for a guaranteed premium, a guaranteed death benefit, and cash value that accumulates over time.

By contributing a certain amount each month, quarter or year, the death benefit becomes available. Then, if something happens to you, your beneficiary receives the full amount, even if you haven't had the policy very long. (Note: Each policy is different, so make sure you understand yours.) In this way, whole life is similar to term life. But, that's where the similarity ends.

- Whole life policies offer premiums that never increase as you age, while term life locks in a premium for the duration of the policy, often 10 or 15 years.
- For many, whole life premiums may be lower than a comparable term life policy over time.
- Whole life policies gain cash value over time. As you pay into the policy, the cash value grows at a guaranteed rate. And if at any point you choose to surrender the policy, you will be entitled to the cash value.

Need a real-life example? Consider a young family with a term life policy for both the mother and the father. This same family has purchased whole life policies for each of their children. Why? Because rates are typically very low for small children, and they will not go up as the children grow and become adults. When the children become adults, they will have the ability to cash in, or take a loan

on the policy as a nest egg. This particular family anticipates a day when the full $50,000 cash value is reached, and the children may use their policies to make a down payment on a home or to attend graduate school.

To find a life insurance policy that fits your family’s needs (and your budget), talk to an agent today.