



Where Insurance Expertise
Meets Technology

Understanding Life Insurance Products

Life insurance is a product which pays a death benefit to a designated beneficiary upon the death of the person insured. There are two basic types of life insurance policies: term or permanent.

Term Life Insurance

Provides coverage for a specific length of time or "term". The insured selects how long he/she would like to be covered when purchasing term life policies. When you receive a term life insurance quote from anyone, you should of course note how long the term is.

Return of Premium

Term life insurance for a specified period of time. The owner of the term life insurance policy receives a guaranteed return of premium paid if the policy is kept for the term period. For example, 20 year return of premium would guarantee a return of premium after you paid 20 years of premium.

Permanent Insurance

Refers to life insurance policies that cover the insured for the entire duration of his/her life. There are multiple permanent life insurance products available and when you receive a free life insurance quote, be sure you compare these terms:

Whole Life Insurance

Provides a guaranteed level death benefit until death or age 100 which ever comes first, and builds a guaranteed cash value which will equal the face amount of the policy at age 100.

Universal Life Insurance

Provides permanent protection with flexible death benefit, premium amount, payment period, cash value growth, and protection periods.

Variable Universal Life Insurance

Provides the opportunity for customers to have life insurance protection and participation in debt and equity markets under one umbrella.

Understanding Life Insurance Products, cont.

Survivorship Life Insurance

Provides coverage for two or more persons with death benefits paid upon the death of the last insured.

Simplified Issue Life Insurance

Provides basic life insurance coverage that generally requires no blood or urine samples, medical exams, or medical records in order to be insured.

There are three major terms to consider when reviewing life insurance policies and receiving a free life insurance quote: options, provisions, and riders.

- Options refer to particular choices that the individual purchasing the life insurance policy must decide including whether the policy is paid out monthly or in a lump sum.
- Provisions explain the different features of the life insurance policy that can be purchased such as, benefits, conditions, and requirements of the contract.
- Riders are modifications to the original life insurance policy that can either add or subtract benefits and are specific to each policy owner's needs.

Especially when you receive an online life insurance quote, be sure you compare and understand these terms.

Understanding Why To Buy Life Insurance

There are multiple reasons to purchase life insurance policies. The primary purpose for purchasing life insurance is to provide financial stability to beneficiaries in the event of the insured's death. Beneficiaries are faced with a myriad of financial responsibilities after the death of the insured.

Not only is the loss of an income devastating to a family, but any previous debts of the deceased such as credit cards, automobiles, even mortgages have to be paid in addition to funeral costs. Life insurance can help to balance the financial burden of the beneficiary by providing a consistent income or a lump sum of money.

Life insurance can also be purchased as a savings tool. Certain life insurance premiums actually include cash savings. More simply, if a "permanent" life insurance policy was purchased for a premium of \$1,000 per year, a portion of that money would pay for the life insurance while the other portion would be invested. The invested portion (cash value) is tax-deferred enabling larger financial growth for the individual. These types of life insurance policies can be used as collateral when taking out a loan or even advanced savings for a child's education. When you receive free insurance quotes, be sure you understand the benefits of the policy and verify that it meets your needs and wants.

Understanding Life Insurance Policy Beneficiaries

A beneficiary is defined as the person whom receives the pay out of a life insurance policy in the event of the insured's death and are often times referred to as revocable or irrevocable. Revocable beneficiaries of life insurance policies can be terminated from the policy at any time while irrevocable beneficiaries must give their authorization to be removed from the policy.

There are three different types of beneficiaries that need to be named on each life policy: primary, secondary, and final. Primary life insurance policy beneficiaries are the first person to receive the benefits in the event of the insured's death, while the secondary beneficiary would receive the death benefits in the event of both the insured and primary beneficiary's death. The final beneficiary refers to the person, group, or charity, which would receive the death benefit from the life insurance policy if the insured, primary, and secondary beneficiaries had died. Most financial analysts suggest consulting a tax professional when choosing beneficiaries.

Understanding How To Select Life Insurance

Numerous life insurance policies and products are readily available and we can provide free insurance quotes for all our policies. Many people express the same questions. Review the FAQ's about life insurance to help in selecting a life insurance policy that best suits your needs.