



Term Life Insurance

Term life insurance is extremely popular. It's very inexpensive which means you can buy a lot of coverage for each dollar you spend. Policies are much less expensive for younger purchasers, and premiums and death benefits are clearly defined from the beginning. If the policy holder dies during the term of coverage, his or her heirs receive the money.

However, once the "term" has expired, the coverage disappears and (in most cases) family members can be left with nothing. It is primarily intended for consumers who are in their child-rearing years.

Permanent Life Insurance

Whole Life Insurance:

Whole Life Insurance is designed to stay in effect during your "whole life," for which it is appropriately named. With this kind of insurance premiums might be paid throughout a policy holder's entire life or a limited period. Shorter premium periods mean larger payments.

The biggest benefit of whole life insurance is that policy conditions, such as death benefits and specific payment information are defined up front. Whole life policies often build up a cash value which may be borrowed from or used to pay premiums.

Finally, as long as premium payments are made, the insurance stays in force regardless of when the policyholder dies. However, the major

drawback to whole life coverage is that it can be up to seven times more expensive than term insurance.

Universal Life:

Like whole life, universal life (often referred to as “UL”) is a type of permanent insurance meant to be in force throughout the length of one’s entire life. The only difference between whole life and UL is that the conditions of a UL policy change depending on how much the insurance company earns.

If the UL insurance company earns more than expected, a policy will build cash value more quickly and might even result in reduced or eliminated premium payments. If earnings come in lower than expected, the policyholder may have to make up the difference by increasing premiums or paying for a longer period of time.

Other than these differences, UL is similar to whole life. Premiums are going to be higher than term insurance for the same death benefit. However, UL coverage can be in place for a longer period of time, which creates the possibility that cash value will grow.

Survivorship Life:

Survivorship life insurance is a version of whole life insurance which can be purchased by couples. With this insurance in place, the benefits are paid out only after both parties pass away.