

Selecting the right life insurance policy for you

Written by By Al Martinez Guest Columnist
Friday, 15 March 2024 00:00



It is essential to carefully consider your life insurance needs before selecting a policy. Life insurance can provide financial security for your loved ones in the event of your death and can be an essential part of your overall financial planning.

There are several types of life insurance policies to choose from, including term life insurance, whole life insurance, and universal life insurance. Each type of policy has its own features and benefits, and it is important to understand the differences between them to select the right policy for you.

Term life insurance provides coverage for a specific period of time, such as 10, 20, or 30 years. It is typically the most affordable option but does not build cash value, and coverage ends when the term expires.

Term life insurance is designed to provide financial protection for a specific period of time, such as the length of a mortgage or the time until your children are financially independent. It is a good option for individuals who need life insurance to cover a specific need but do not want to pay for coverage permanently. Think of term insurance as rental insurance.

When selecting a term life insurance policy, it is essential to consider the length of the term, the amount of coverage you need, and the premiums you can afford. It is also crucial to review the policy's exclusions and limitations to understand what is not covered under the policy.

Selecting the right life insurance policy for you

Written by By Al Martinez Guest Columnist
Friday, 15 March 2024 00:00

Whole life insurance provides coverage for the entirety of your “whole” life and also includes a savings component that builds cash value over time. This type of policy is initially more expensive than term life insurance but offers the added benefit of a savings component that may be accessed during your lifetime.

The cash value of a whole life insurance policy accumulates over time. It can be used for various purposes, such as paying premiums, borrowing against the policy, or as a source of emergency funds. The cash value of a whole life insurance policy is typically tax-deferred, meaning that it grows without being subject to annual income taxes until the funds are assessed.

Universal life insurance is a type of permanent life insurance that offers flexibility regarding premium payments and the death benefit amount. It also includes a savings component that may build cash value over time. This flexibility can be helpful for individuals whose financial circumstances or needs may change over time.

Life insurance can also offer a wide range of benefits. If a death occurs, the value of the life insurance policy is paid to the named beneficiary tax free and without the need for probate.

Make certain you consult a licensed and authorized professional before making any final decisions.

Al Martinez is a member of Syndicated Columnists, a national organization committed to a fully transparent approach to money management.

Syndicated Columnists is the sole provider of this material, both written and conceptual, for this column. All rights reserved

By Al Martinez
Guest Columnist

Selecting the right life insurance policy for you

Written by By Al Martinez Guest Columnist
Friday, 15 March 2024 00:00
