

Life Insurance – what are you really looking for?

	TERM LIFE Annual Renewable/ Guaranteed Level Premium Period	PERMANENT LIFE Universal	PERMANENT LIFE Indexed	PERMANENT LIFE Variable	PERMANENT LIFE Whole
Premiums	Guaranteed level for specified term, then increasing	Flexible or guaranteed level for life	Flexible or guaranteed level for life	Flexible or guaranteed level for life	Guaranteed level for life
Index / Investment Options	n/a	n/a	One or more indexed interest crediting methodologies	Multiple variable investment sub-accounts	n/a
Cash Value	None	Sometimes. Guaranteed and current cash value dependent on interest rates and policy charges	Yes, guaranteed and current cash value dependent on indexed interest and policy charges	Yes, guaranteed and current cash value dependent on investment returns and policy charges	Yes, guaranteed cash value. Current cash value dependent on interest or dividends, which are subject to change.
Access to Cash Value	n/a	Sometimes, through withdrawals and policy loans	Yes, through withdrawals and policy loans	Yes, through withdrawals and policy loans	Yes, through withdrawals and policy loans
Death Benefit	Typically guaranteed to age 95	Lifetime guarantee subject to certain conditions	Lifetime guarantee subject to certain conditions	Lifetime guarantee subject to certain conditions	Yes, guaranteed death benefit. Current death benefit dependent on interest rate or dividends which are subject to change.
Death Benefit Options	Level or Return of Premium	Level, Increasing or Return of Premium	Level, Increasing or Return of Premium	Level, Increasing or Return of Premium	Level. May decrease dependent on interest or dividends which are subject to change
Advantages	Lowest cost for temporary needs	Often the least expensive permanent plan	Often used for cash accumulation	Often used for cash accumulation	Guaranteed premium, cash value and death benefit
Disadvantages	Ultimate premiums will likely be cost prohibitive	Insurance company determines current interest crediting rate based on their investment returns	Insurance company determines current indexed interest crediting methodologies	Insurance company determines variable investment sub-accounts available	Highest initial cost of all types of permanent insurance. Dividends are not guaranteed.
Other Considerations	May be convertible to permanent insurance without evidence of insurability	Cash values may be used to reduce premiums, increase death benefit or provide cash flow options	Cash values may be used to reduce premiums, increase death benefit or provide cash flow options	Cash values may be used to reduce premiums, increase death benefit or provide cash flow options	Cash values may be used to reduce premiums, increase death benefit or provide cash flow options