

# TYPES OF LIFE INSURANCE

	TERM LIFE	WHOLE LIFE	UNIVERSAL LIFE (UL)	VARIABLE UNIVERSAL LIFE (VUL)
<b>Death Benefit</b>	Yes, fixed only	Yes, fixed only	Yes, fixed or variable	Yes, fixed or variable
<b>Premium Payments</b>	Fixed	Higher initially than term life insurance, but premium is fixed.	Flexible	Flexible
<b>Cash Value</b>	No	Yes, guaranteed	Yes, but not guaranteed	Yes, but not guaranteed
<b>Market Participation</b>	No	No	No	Yes
<b>Tax Advantages</b>	Yes	Yes	Yes	Yes
<b>Surrender Period</b>	No	Yes	Yes	Yes
<b>Advantages</b>	Ability to purchase larger coverage amounts due to lower premium costs.	Premiums are typically fixed.	Lower cost than whole life and provides for lifetime coverage.	Lower cost than whole life and provides for lifetime coverage.
	Ability to discontinue coverage at any time without incurring a surrender charge (penalty).	Cash value accumulation.	Flexibility in premium payments.	Flexibility in premium payments.
		Can take withdrawals and/or loans from the policy.	In periods of higher interest rates, policyholder benefits as cash value will increase faster.	In periods of equity markets doing well, policyholder benefits as cash value will increase faster.
			Offers the possibility of improved mortality rates which may lower internal policy costs.	Offers the possibility of improved mortality rates which may lower internal policy costs.
<b>Disadvantages</b>	Coverage is only for a specified period of time (usually 10, 15, 20, or 30 years).	There is usually no cash value built for the first few years of the policy.	There is usually no cash value built for the first few years of the policy.	There is usually no cash value built for the first few years of the policy.
	Fixed death benefit.	Can be costly if policy is surrendered in early years.	Can be costly if policy is surrendered in early years.	Can be costly if policy is surrendered in early years.
	Premium increases each time policy term ends and is renewed.	May not meet short-term needs.	Policyholder assumes greater risks due to flexibility in premium payments.	Policyholder assumes greater risks due to flexibility in premium payments.
	No cash value.		In periods of low interest rates, this can adversely affect policy's cash value accumulation.	During bear markets, this can adversely affect policy's cash value accumulation.

*This material is for informational purposes only. The information expressed in this document is as of the date of its publication and is subject to change. Please contact your financial advisor regarding the application of these issues to your business and individual circumstances.*

