

Comparing the Major Types of Life Insurance

		Permanent Life	
	Term Life	Whole Life	Universal Life
Premium	Low initially but may increase with each renewal.	Higher initially than term life. Normally doesn't increase because it's based on your age at the time the policy is issued.	Flexible premium payments.
Protects you for...	A specified period.	Your entire life if you keep the policy.	A flexible time period, which may be your entire life.
Policy Benefits	Death benefits only.	Death benefits, possibly a cash and a loan value.	Death benefits (that may include a cash value), possibly a cash value, and a loan value.
Advantages	Ability to buy more coverage for a lower premium.	Generally fixed premium amount. Cash value accumulation. You may have loan options for the cash value.	More flexibility with your payments. Cash value is credited with current interest rates.
Disadvantages	No cash value. Coverage ceases at end of term unless it's converted.	May be expensive to cover a short-term need. Usually little to no cash value for a few years.	May be expensive to cover a short-term need. The payment isn't guaranteed. Low interest rates can affect cash value, which may increase the premium payments.
Available Options	May be renewable or convertible to a permanent life insurance policy. Conversion typically means higher premiums.	May pay dividends. May provide a reduced paid-up policy. Partial cash surrenders permitted.	May pay dividends. Partial withdrawals are allowed.