

What's covered if I become disabled?

Many insurance policies include a "waiver of premium" rider: If you become disabled and can't work, this rider will cover your premium payments, keeping your insurance policy active. This option can be valuable and is often relatively inexpensive. However, life insurance does not provide benefits for disability. For income replacement when you are unable to work due to illness or injury, you will need short- or long-term disability insurance.

How can I save money when buying life insurance?

Opting for a term life policy or a combination of term and permanent insurance can result in lower premiums. Purchasing a policy at a younger age can also help secure a lower premium.

What is a beneficiary and why is it important to designate one?

To ensure that your benefits go to the intended recipients, you must designate a beneficiary – the individual(s) who will receive the proceeds of your life insurance policy upon your death. Without a named beneficiary, the proceeds will be distributed according to the insurance contract, potentially going to family members or your estate. Regularly review your beneficiary designations to keep them up to date, considering life changes such as marriage, death, or other significant events.

Why should I choose a reputable insurance company?

A reputable life insurance company should be financially stable, have a solid claims payment history, excellent customer service, and competitive pricing. Insurance company ratings can be found online to help you make an informed decision.

What are the different types of life insurance?

The main types of life insurance are term, whole life, universal life, final expense, guaranteed issue, and group insurance.

What is term life insurance?

Term life insurance provides coverage for a specific period, usually between 10 and 30 years. It is often referred to as "pure life insurance" because it has no cash value component. Its primary purpose is to provide a payout to beneficiaries if the insured dies during the term.

What is whole life insurance?

Whole life insurance is a type of permanent life insurance that provides lifelong coverage. It includes a cash value component, where part of the premium is invested and grows tax-deferred. Whole life insurance features a level premium, guaranteed death benefit, and guaranteed cash values that grow at a fixed rate.

What is universal life insurance?

Universal life insurance is another form of permanent insurance that offers cash value and lifelong coverage similar to whole life insurance, but with flexible premiums.

What is final expense insurance?

Final expense insurance is intended to cover end-of-life expenses, such as funeral and burial costs. It provides permanent coverage as long as premiums are paid but does not have a cash value component. This type of insurance is often chosen by older individuals without dependent children to ease the financial burden on loved ones.

What is guaranteed issue life insurance?

Guaranteed issue life insurance does not require a medical exam, making it suitable for older individuals or those with serious health conditions who might not qualify for other policies. Simplified issue policies are similar in that they also do not require a medical exam.

What is group life insurance?

Group life insurance is typically offered through an employer or member organization as part of a benefits package. Most group life insurance policies are term, but some employers offer permanent coverage options as a voluntary benefit.

What are riders?

Riders are add-ons that customize your policy. Some common riders include:

- Disability waiver of premium: Pays premiums during a disability.
- Chronic care: Allows access to a portion of the death benefits for long-term care.
- Living benefit: Enables terminally ill individuals to use part of the death benefits for treatment.
- Option to purchase paid-up additions: Allows additional payments to build cash value and increase the death benefit.