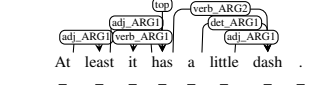


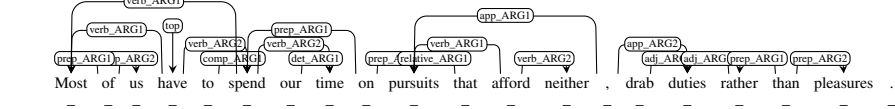
Document 1574

[21574002]



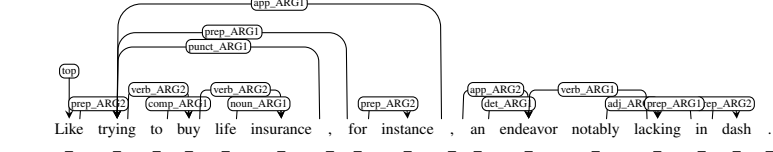
At least it has a little dash .

[21574003]



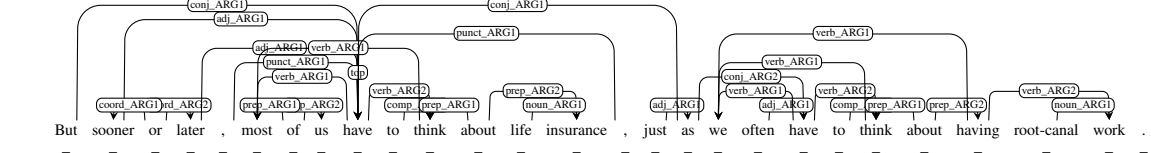
Most of us have to spend our time on pursuits that afford neither . drab duties rather than pleasures .

[21574004]



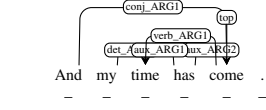
Like trying to buy life insurance , for instance , an endeavor notably lacking in dash .

[21574006]



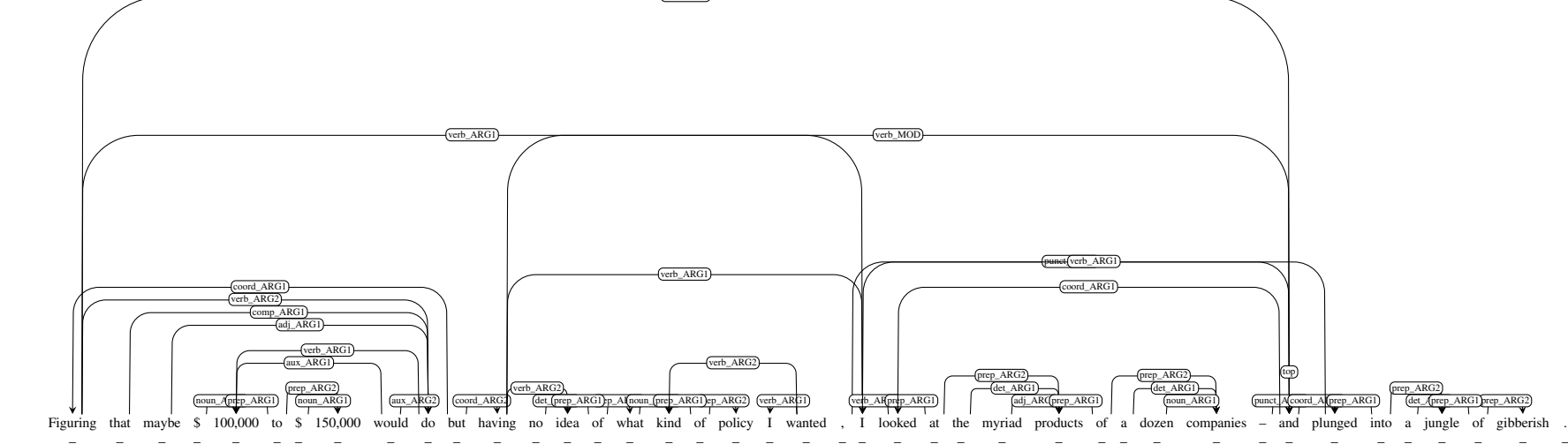
But sooner or later , most of us have to think about life insurance , just as we often have to think about having root-canal work .

[21574007]



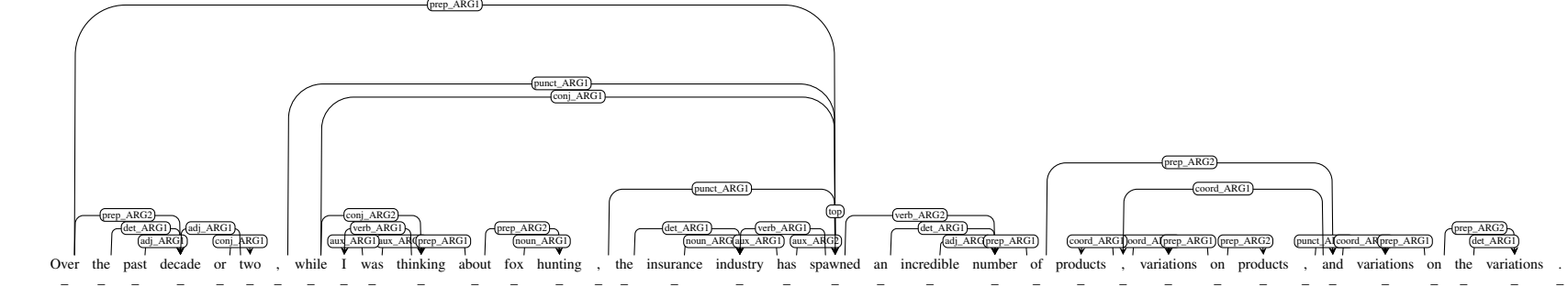
And my time has come .

[21574011]



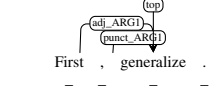
Figuring that maybe \$ 100,000 to \$ 150,000 would do but having no idea of what kind of policy I wanted , I looked at the myriad products of a dozen companies - and plunged into a jungle of gibberish .

[21574012]



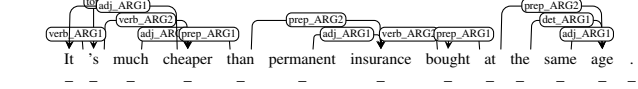
Over the past decade or two , while I was thinking about fox hunting , the insurance industry has spawned an incredible number of products , variations on products , and variations on the variations .

[21574015]



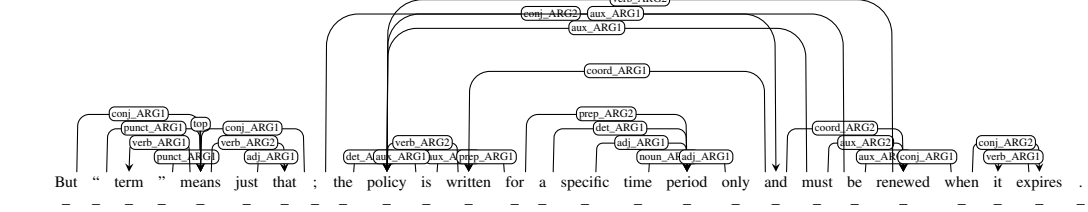
First , generalize .

[21574018]



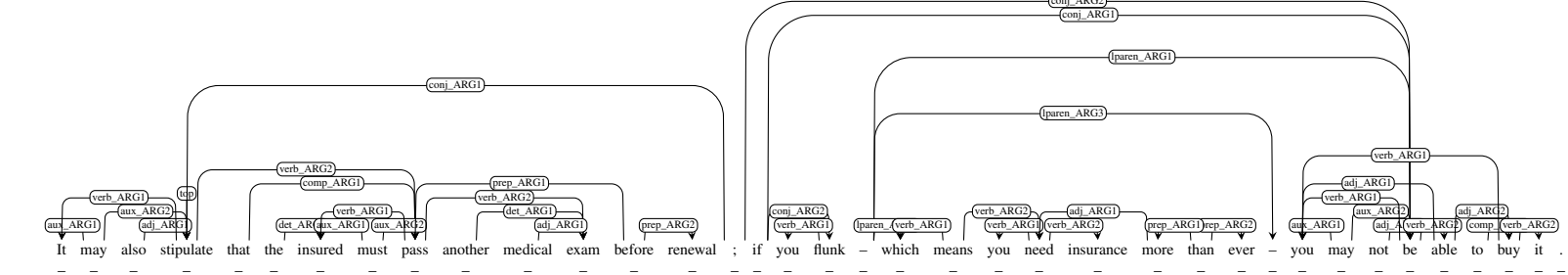
It 's much cheaper than permanent insurance bought at the same age .

[21574019]



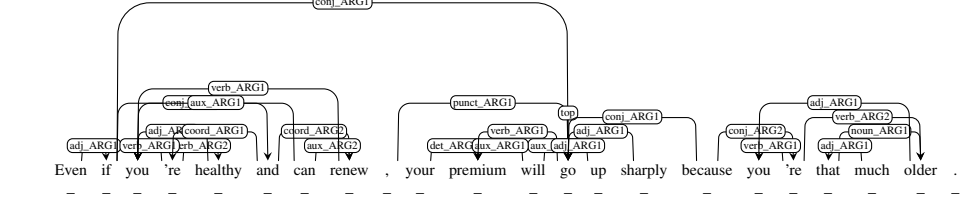
But " term " means just that ; the policy is written for a specific time period only and must be renewed when it expires .

[21574020]



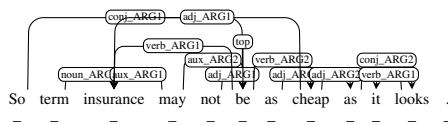
It may also stipulate that the insured must pass another medical exam before renewal ; if you flunk - which means you need insurance more than ever - you may not be able to buy it .

[21574021]

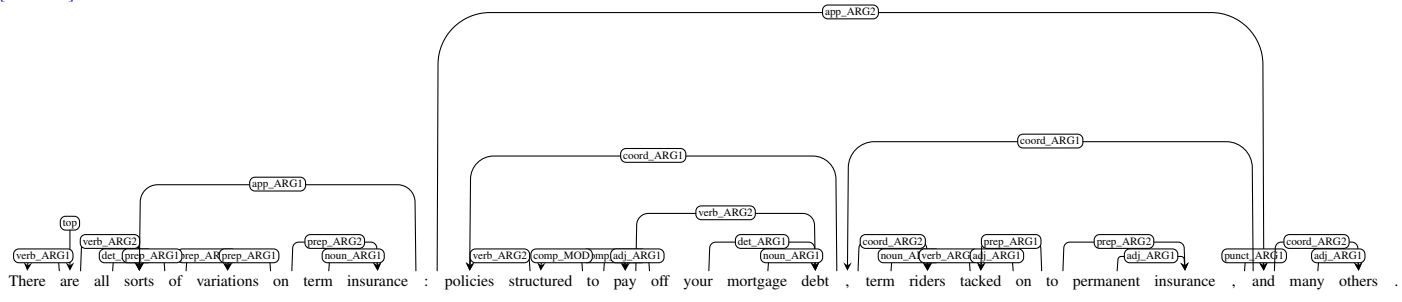


Even if you 're healthy and can renew , your premium will go up sharply because you 're that much older .

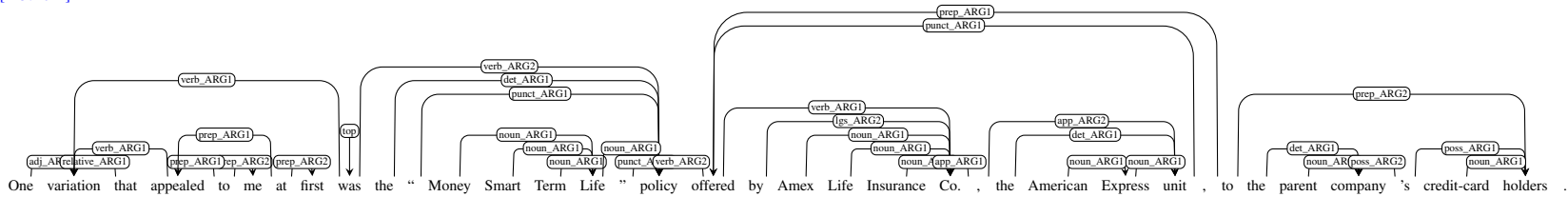
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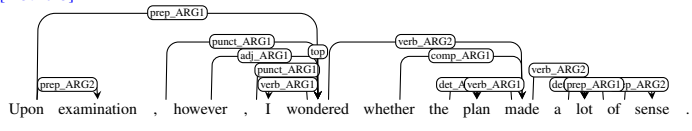
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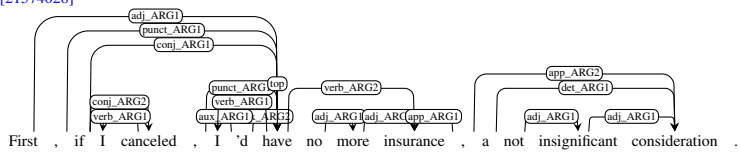
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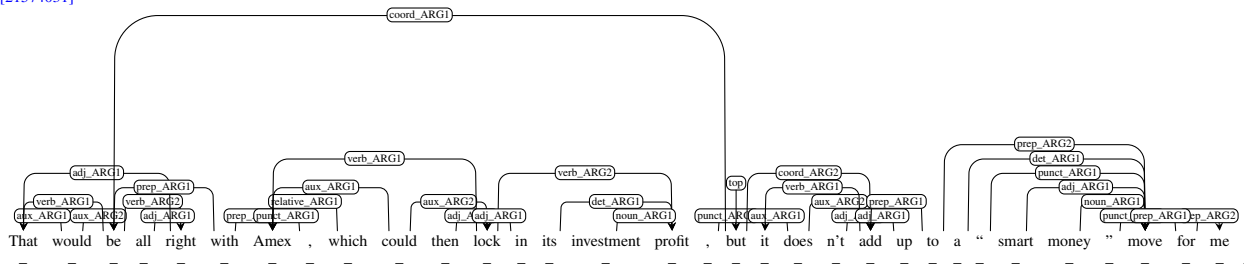
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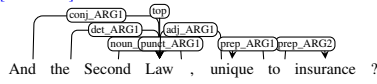
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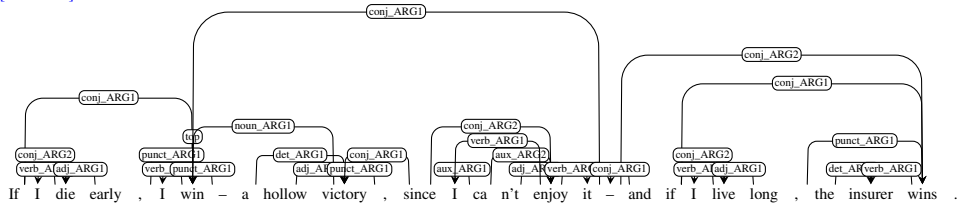
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[21574033]



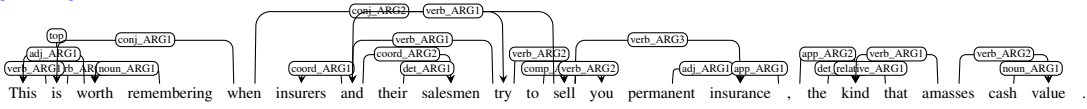
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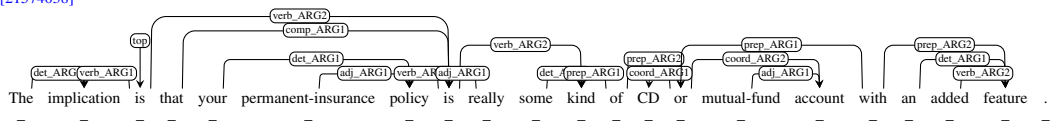
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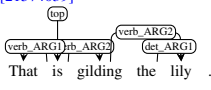
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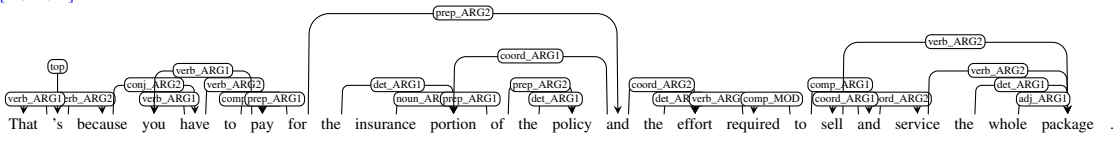
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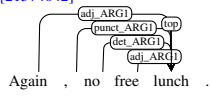
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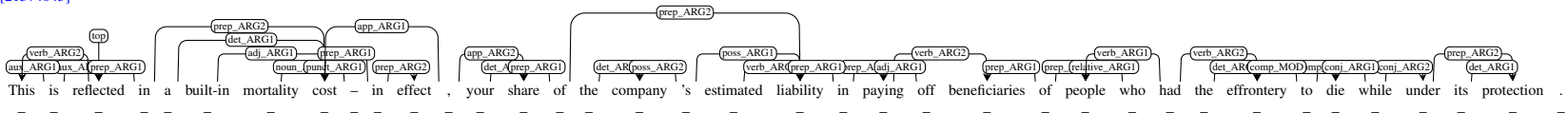
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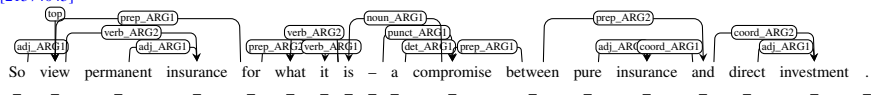
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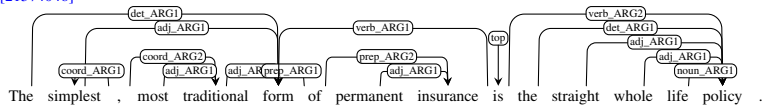
[21574043]



[21574045]

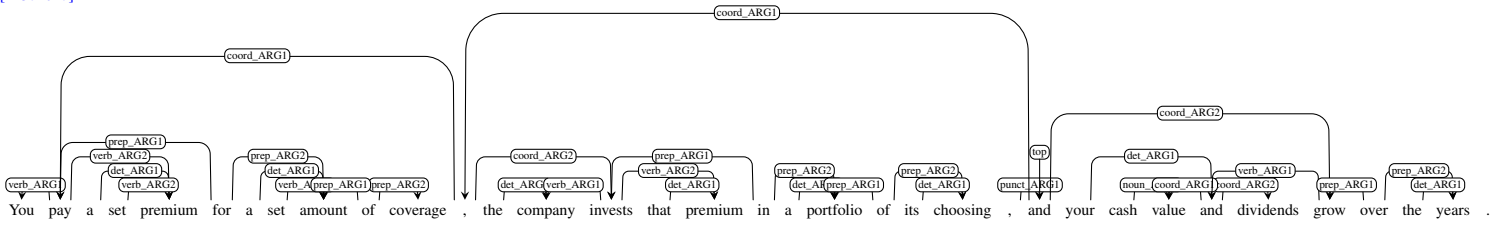


[21574046]



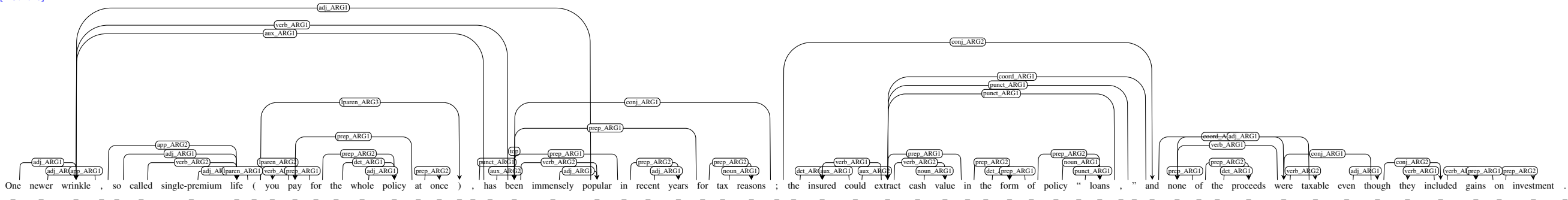
The simplest , most traditional form of permanent insurance is the straight whole life policy .

[21574047]



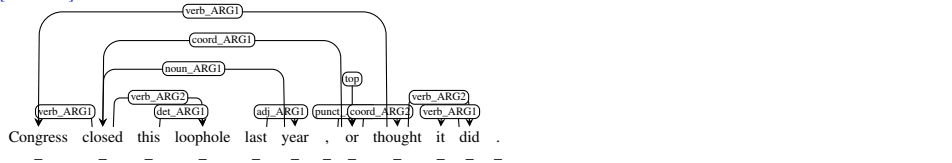
You pay a set premium for a set amount of coverage , the company invests that premium in a portfolio of its choosing , and your cash value and dividends grow over the years .

[21574048]



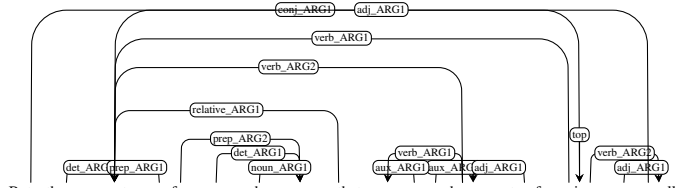
One newer wrinkle , so called single-premium life (you pay for the whole policy at once) , has been immensely popular in recent years for tax reasons ; the insured could extract cash value in the form of policy " loans , " and none of the proceeds were taxable even though they included gains on investment .

[21574049]



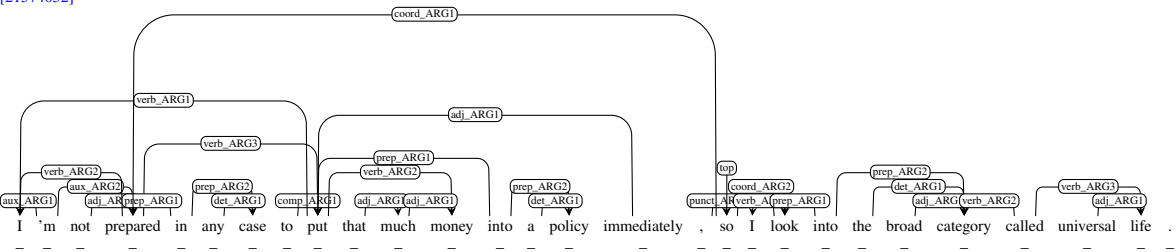
Congress closed this loophole last year , or thought it did .

[21574051]



But the percentage of your cash reserve that you can borrow tax-free is very small .

[21574052]



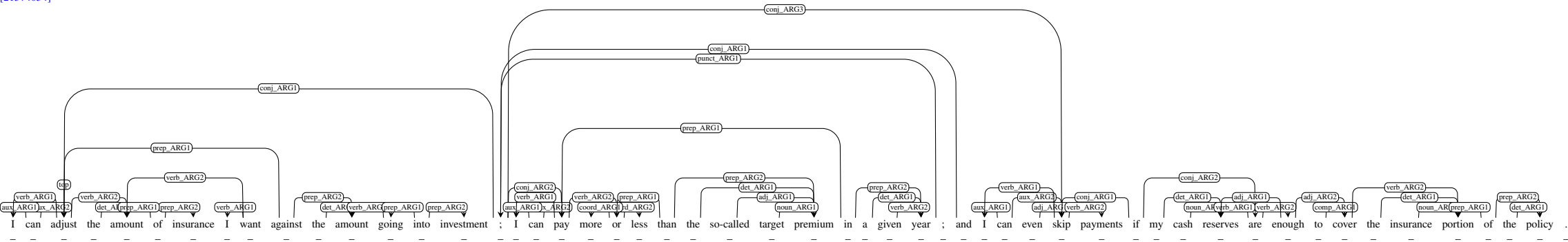
I 'm not prepared in any case to put that much money into a policy immediately , so I look into the broad category called universal life .

[21574053]



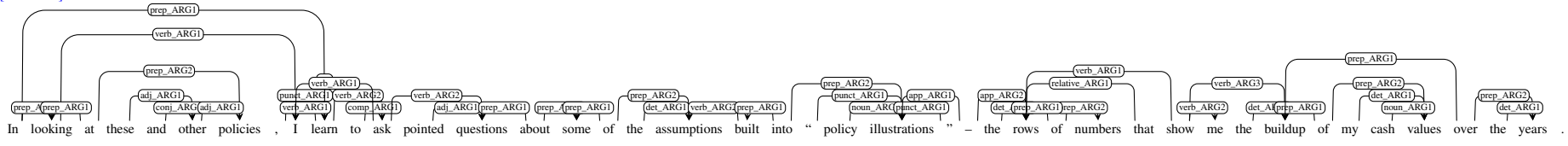
Hugely popular , it is far more flexible than straight whole life .

[21574054]



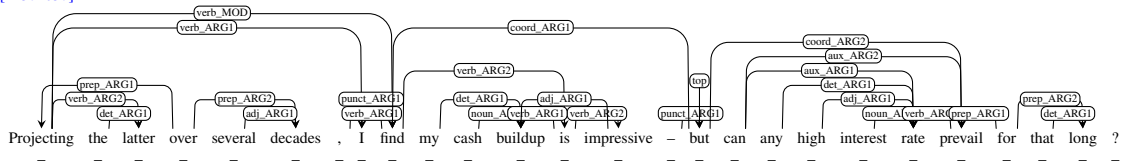
I can adjust the amount of insurance I want against the amount going into investment ; I can pay more or less than the so-called target premium in a given year ; and I can even skip payments if my cash reserves are enough to cover the insurance portion of the policy .

[21574055]



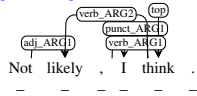
In looking at these and other policies , I learn to ask pointed questions about some of the assumptions built into " policy illustrations " - the rows of numbers that show me the buildup of my cash values over the years .

[21574057]



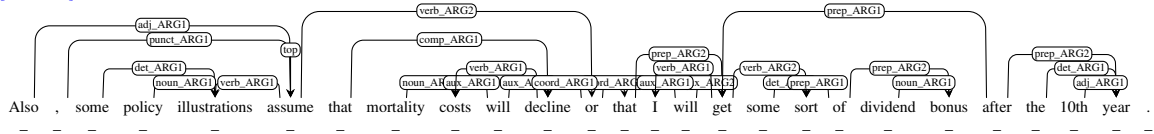
Projecting the latter over several decades , I find my cash buildup is impressive - but can any high interest rate prevail for that long ?

[21574058]



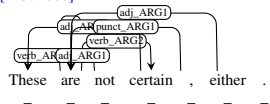
Not likely , I think .

[21574059]



Also , some policy illustrations assume that mortality costs will decline or that I will get some sort of dividend bonus after the 10th year .

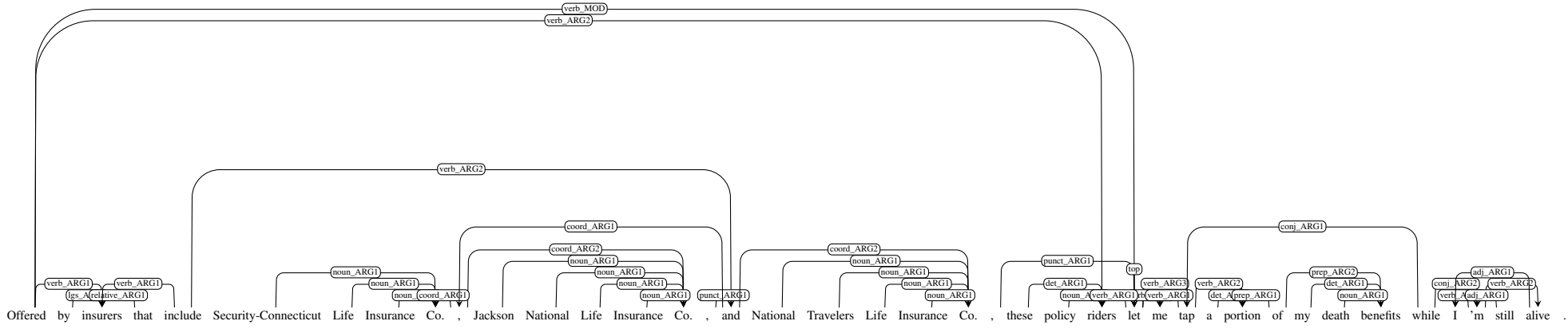
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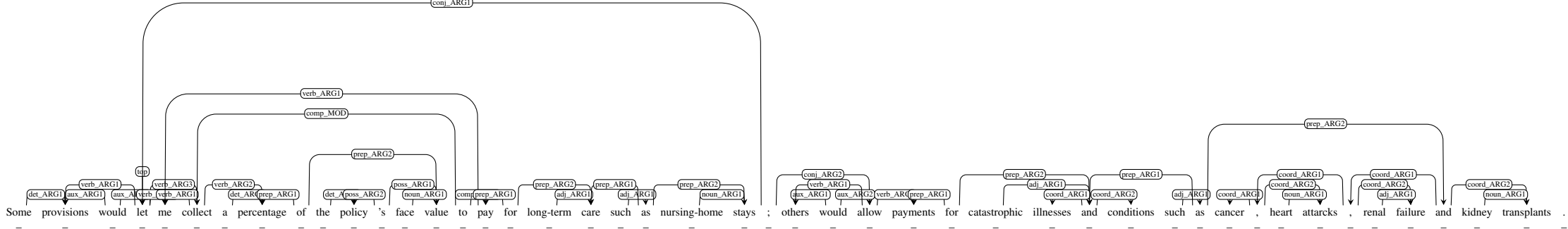
These are not certain , either .

[21574061]

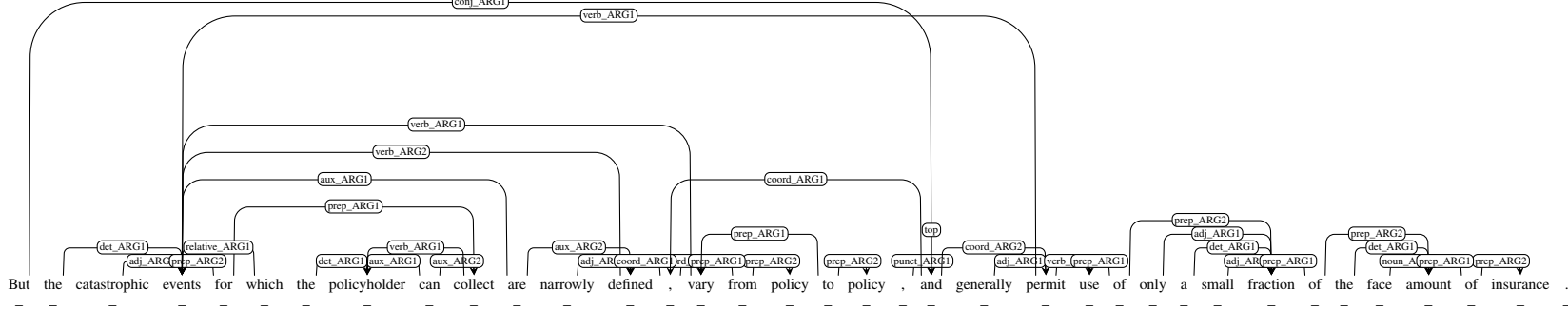




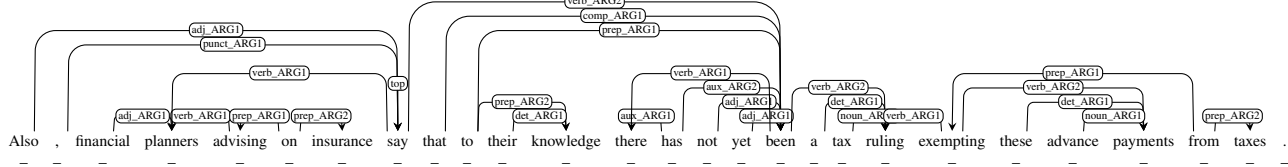
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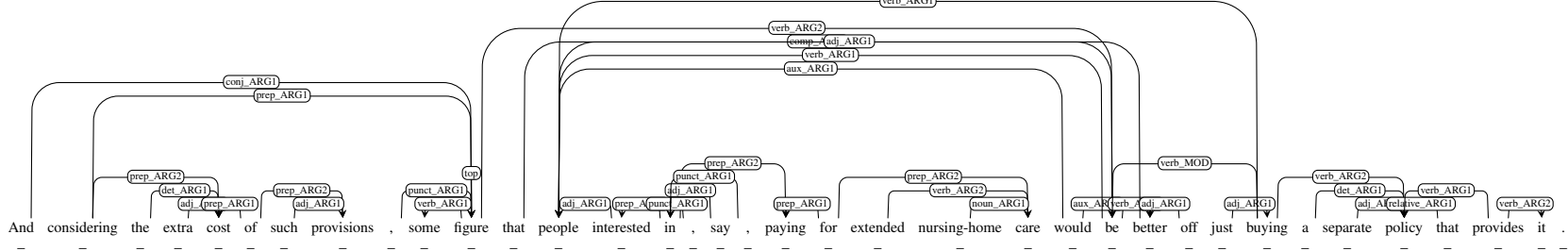
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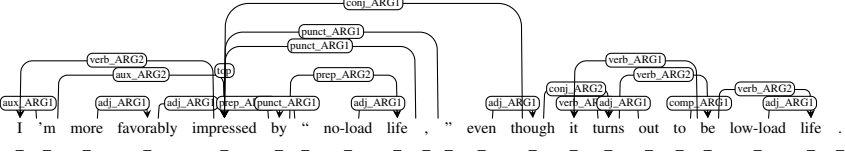
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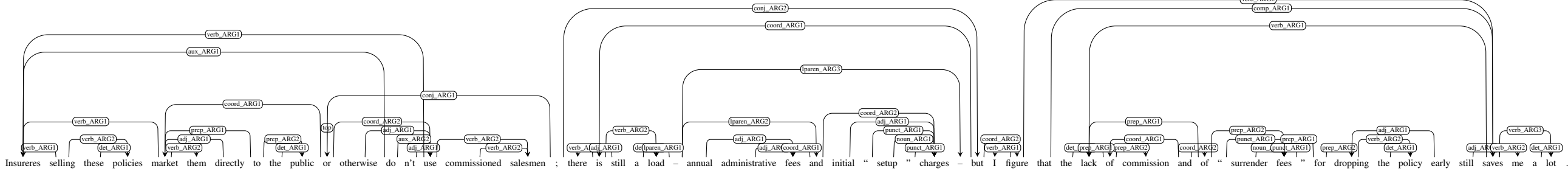
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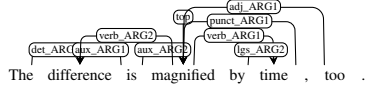
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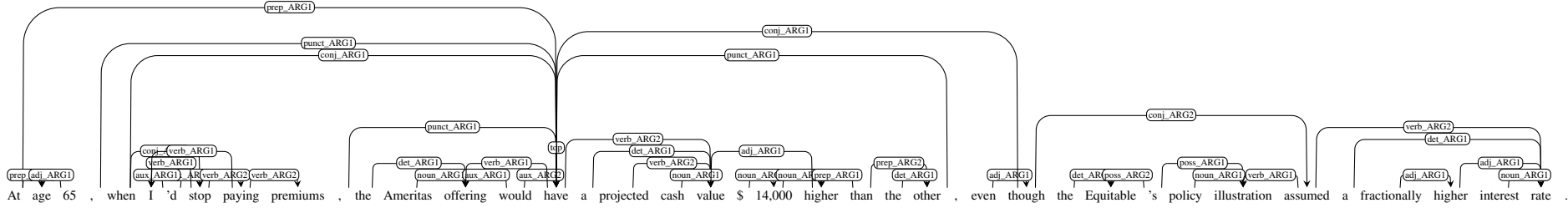
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[21574082]



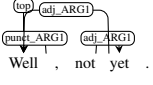
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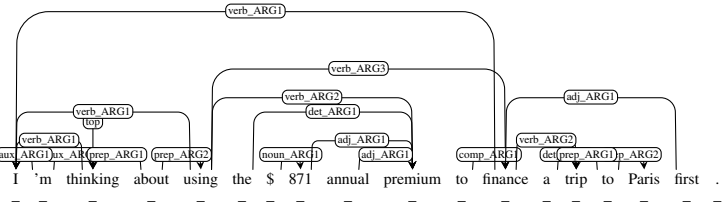
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[21574085]



[21574086]



[21574087]

