**WHY JOINT LIFE INSURANCE IS NOT A GOOD IDEA**

Meta Description:

This is why insurance plans need to be taken out on individuals and not relationships as a whole.

Keywords:

Life insurance for couples, joint insurance policies, single life policies.

Types of insurance policies explained:

A life insurance policy is a payout assured by an insurer that is paid due to the untimely demise of the policyholder during the term of the cover plan. This lump sum is paid in whole to the beneficiary’s next of kin, as mentioned in the policy papers beforehand.

Contextually, there are two major types of insurance policies: single life policies, and joint insurance policies.

Comparing life insurance for couples:

When it comes to a relationship, there is a stark, contrasting difference between single life and joint life insurance policies.

If two separate single life cover plans are chosen by the couple, both partners of the relationship receive separate benefits from their policies, most probably under similar terms and conditions. But more importantly, they will be entirely separate – when either of the partners die, the lump sum amount goes to the other partner in the relationship, helping them out financially and easing their mental burden a little.

When a joint insurance policy is opted for, the couple effectively receives only one lump sum payout in the event of a demise or critical illness. The next of kin of the couple, should the couple die together, will receive only a single assured payment. Similarly, in the event of critical illness, once a payout has been requested, a future assurance is not available for either of the couple to request.

On the other hand, while two single life policies are a little more expensive than a single joint policy, a second cash-out is available for emergencies in the event of the demise or critical illness of the other partner involved in the relationship. Another major disadvantage pertaining to joint life policies is the fact that they cannot be split by the couple if and when they want to. Hence, if premium payments are not made on time, the policy lapses for both people involved in the relationship, increasing the insecurity of the future they face together.