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Life's Great Debate: Whole Life Vs. Term

Since the mid-1970s, when the phrase “buy term — invest the difference” was made popular, cash-value Whole Life insurance has almost become a “dirty” word. But the truth is, customers can receive valuable protection with Whole Life and Term insurance from United American — it’s simply a matter of which plan best meets the client’s needs.

First and foremost, make sure clients understand the difference between Whole Life and Term insurance. Whole Life offers permanent coverage and is known for its accrual of cash-value. The coverage stays in-force for an individual’s lifetime and premiums never change. Term provides temporary protection by covering a person for a period of one or more years. The premiums, which are lower initially, may increase each term the policy is renewed. With Term coverage, insureds generally receive the largest immediate death benefit for the premium dollar. However, benefits are only paid if the insured dies within their specified term.

Below are some examples of how these coverages can meet different people’s needs.

- ▶ **Whole Life Insurance** — When prospects wish to purchase a policy to supplement their existing life coverage, UA’s Whole Life plan is often recommended. It offers solid protection with a significant build up of cash-value, which can be borrowed against if an individual needs the extra money.

For instance, a 67-year-old woman with a UA Whole Life policy is diagnosed with a serious illness. After months of unanticipated medical expenses, her funds are exhausted. She can use part of the cash-value built up in her policy to pay her bills while still keeping the plan in-force.

- ▶ **Term Insurance** — With UA’s 10-year Renewable Term plan (RT10), customers can lock into affordable, level premiums for a 10 year term. The RT10 provides reliable coverage that gives individuals an opportunity to save money or spend it elsewhere.

Seniors on a fixed income who are not necessarily concerned with borrowing against their policy may find Term coverage perfectly suited to pay their final expenses. And because it starts out cheaper than Whole Life, it is ideal for young families.

Remember, United American has a broad life portfolio designed to meet a variety of needs. As an Agent, customers rely on you to help them find the right protection. Don’t miss a sale by overlooking the other choices offered by UA.

TO LIFE!
JML

“It’s very important to make sure clients understand the difference between Whole Life and Term insurance.”

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