# LIFE INSURANCE

Life insurance can be the foundation of your financial security and can provide comfort and stability for your family. The purpose of life insurance is to help provide your loved ones with financial protection after you die, in exchange for the premiums you pay to your insurer during your lifetime. Some life insurance policies can provide you with financial protection for the short term, while others accumulate cash value, offering a living benefit that can be used for supplemental retirement income, funding for a child's education, or cash for emergencies.[1]

## Term Life Insurance

Term life insurance provides coverage for a set period of time at a generally lower cost than permanent insurance. Many term life insurance products allow you to convert to a permanent policy, such as whole life insurance. The cost of insuring oneself increases over time, so it's important to understand your short- and long-term needs for financial security when you select a policy.

## Permanent Life Insurance

Permanent life insurance provides you with financial protection for your entire life, as long as the policy remains in force. Because of the flexibility permanent life insurance offers, there are several types of policies you can purchase.

- **Whole Life Insurance.** The benefits of whole life insurance include guaranteed fixed premiums, a guaranteed death benefit and guaranteed cash value growth. This means that with whole life insurance, your premiums never increase as long as they're paid, and you can also take advantage of "living benefits," which enable you to borrow against the cash value of the policy for any purpose while you're alive.1 Borrowing cash from the policy can help in financing life-changing events or emergencies, and the policy's cash value accumulates on a tax-deferred basis. One thing to keep in mind when purchasing whole life insurance is that loans reduce the death benefit of your policy, and loan interest should be repaid in order to prevent lapse.
- **Universal Life Insurance.** Universal life insurance provides lifetime death benefit protection along with flexibility that gives you choices as your needs and finances change. It offers options such as coverage amounts that may be increased or decreased, and premiums that you can vary based on your finances as long as there is enough money in the account to pay for the monthly insurance and administrative charges.
- **Variable Universal Life Insurance.** Variable universal life introduces an investment component. With variable universal life, you can allocate net premiums and account values among divisions of a separate account and guaranteed principal account.2 You can direct a portion of your net premium payments to any of the investment options available through the separate account depending on the particular variable universal life product. Each investment option offers a different level of risk and growth potential. One feature of variable universal life insurance (and universal life) is its premium flexibility: you can skip payments as long as your policy has accumulated enough account value to meet the monthly deductions. Also, you can add numerous riders to your policy. Riders are available for an additional premium.
  ****Variable life insurance policies are sold by prospectus. Before purchasing a variable life insurance policy, investors should carefully consider the investment objectives, risks, charges and expenses of the variable life insurance policy and its underlying investment choices. For this and other information, obtain the prospectuses for the variable life insurance policy and its underlying investment choices from your registered representative. Please read the prospectuses carefully before investing or sending money.**
- **Survivorship Life Insurance.** Survivorship life insurance is a form of permanent life insurance that covers two people on one policy and pays a death benefit after both people on the policy have died. The cost for survivorship life insurance is usually lower than the cost of two individual policies.

[1] Distributions under the policy (including cash dividends and partial/full surrenders) are not subject to taxation up to the amount paid into the policy (the cost basis). If the policy is a Modified Endowment Contract, policy loans and/or distributions are taxable to the extent of gain and are subject to a 10% tax penalty. Access to cash values through borrowing or partial surrenders can reduce the policy's cash value and death benefit, increase the chance the policy will lapse, and may result in a tax liability if the policy terminates before the death of the insured.

[2] Guarantees are based on the claims paying ability of the issuing company or companies.

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