

Texas Life Insurance Comparison Chart

Provided by:

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Comparing the Major Types of Texas Life Insurance

	TERM LIFE	WHOLE LIFE	UNIVERSAL LIFE
PREMIUM	Lower initially. Increases with each renewal.	Higher initially than term. Normally doesn't increase.	Flexible premiums.
PROTECTS FOR	A specified period.	Entire life if you keep the policy.	A flexible time period.
POLICY BENEFITS	Death benefits only.	Death benefits and eventually a cash and loan value.	Flexible death benefits and eventually cash and loan value.
ADVANTAGE TO BUYER	Low outlay. Initially buyer can purchase a larger amount of coverage for a lower premium. Buyer could consider developing outside investment program.	Helps buyer with financial discipline. Fixed premium amount. Cash value accumulation. Buyer can take loan against policy.	More flexibility. Takes advantage of current interest rates. Offers the possibility of improved mortality rates (increased life expectancy because of advancements in medicine, which may lower policy costs).
DISADVANTAGES TO BUYER	Premium increases with age. No cash value.	Costly if you surrender early. Usually no cash value for at least three to five years. Does not meet short-term needs.	Same as whole life and buyer assumes greater risks due to program flexibility. Low interest rates can affect cash value and premiums.

OPTIONS	May be renewable or convertible to a whole life policy.	May pay dividends. May provide a reduced paid-up policy. Partial cash surrenders permitted.	Minimum death benefit. Partial cash surrenders permitted
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