

We all want to protect our family when we're gone, and life insurance can help with that. But where permanent and term life insurance can differ is in how much flexibility you may need. Take a walk down this life insurance selection map to help remove some of the stress in determining what might be right for you.

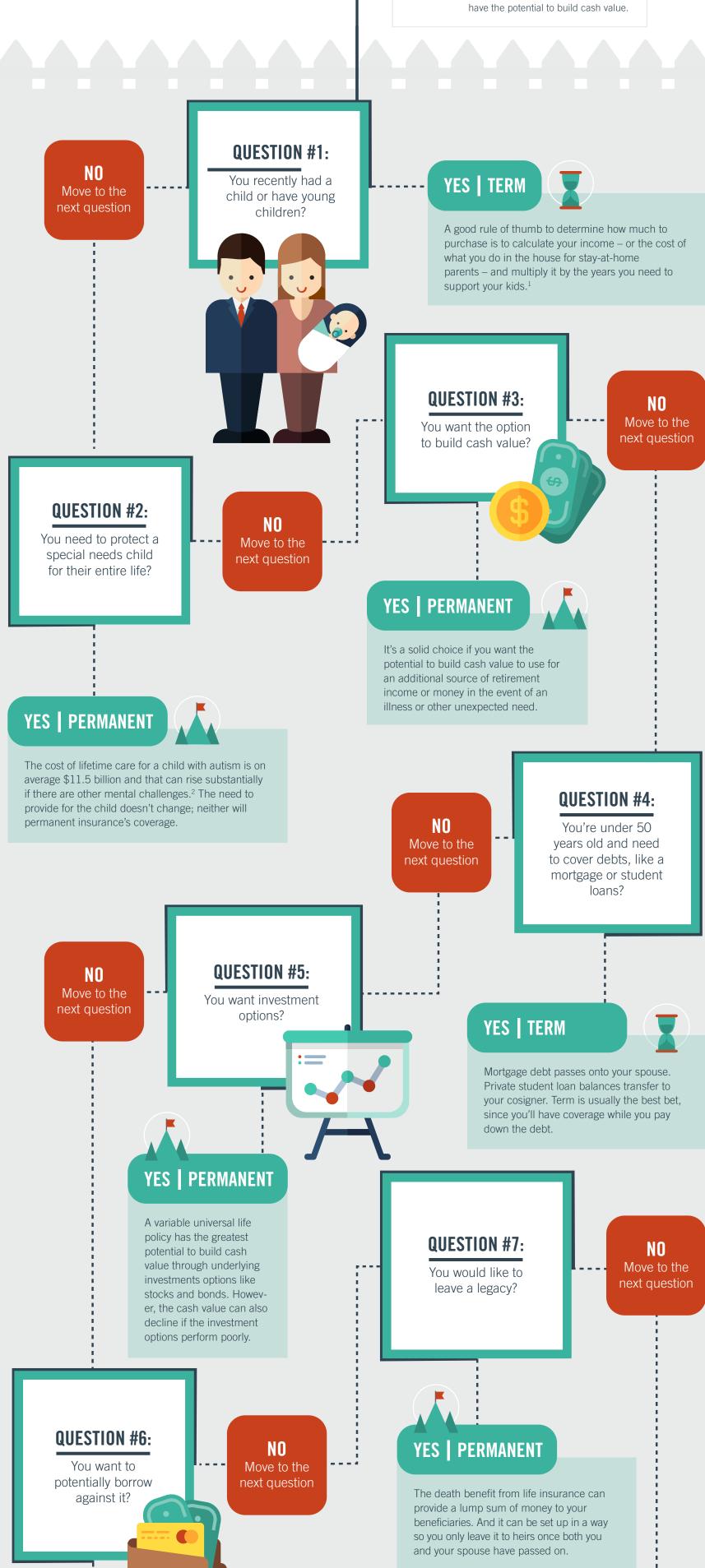
### **TERM**

Insurance where coverage continues over a set period of time, like 10-to-20 years. Once the coverage-period ends, the policy is dissolved.



### **PERMANENT**

Insurance that provides coverage your entire life as long as the premiums are paid. Many permanent policies offered



# YES | PERMANENT

The policy's cash value can grow your death benefit, and you can also take income tax-free loans as needed. Plus, loans typically have low interest rates.3,4

## You need it to pay for

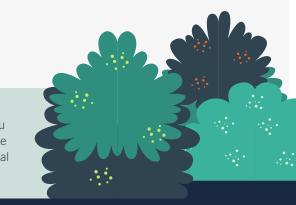
your estate taxes or funeral costs?

**QUESTION #8:** 



## YES | TERM OR PERMANENT

The average cost of a funeral in the U.S. ranges from \$6,000 to \$10,000.5 If you pass on property that has high upkeep expenses, then your beneficiaries may be forced to sell. Both term and permanent can provide your family with the financial security to help pay those costs, once you step away.



<sup>1</sup>Nerdwallet: <u>https://www.nerdwallet.com/blog/insurance/a-new-par</u> ents-guide-to-life-insurance/

<sup>2</sup>Prudential: <a href="https://www.elemy.com/studio/autism/costs">https://www.elemy.com/studio/autism/costs</a>

 $^{\rm 3}\!\text{You}$  can access your cash value through loans and withdrawals. In general, loans are charged interest; they are usually not taxable. If a policy lapses or is surrendered, the loan becomes immediately taxable to the extent of gain in your policy. Withdrawals are taxable only when you take more money out of the policy than you've paid in premiums. If your policy becomes a Modified Endowment Contract (MEC), different, less advantageous tax provisions apply. Loans and withdrawals may reduce or eliminate the death benefit payable

to your beneficiaries.

<sup>4</sup>Investopedia: <u>http://www.investopedia.com/ask/answers/111314/how-can-i-bor</u> row-money-my-life-insurance-policy.asp <sup>5</sup>Prudential: <u>https://www.prudential.com/financial-education/funeral-plan</u>

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