



Term life insurance provides a simple death benefit for a specified period of time. If you die during the coverage period, the beneficiary you name in the policy receives the death benefit. If you live past the term period, your coverage ends, and you get nothing back. The cost, or premium, for the coverage can be fixed for the duration of the policy term (usually 1 to 30 years) or it can be "annually renewable" meaning that the premium can increase each year as you get older. However, the premium for term insurance usually costs less than the premium for permanent insurance when all factors are the same, including the death benefit.

Whole life insurance

Whole life is permanent or cash value insurance that provides insurance coverage for your entire life. With most whole life policies, part of your premium is added to the cash value account, which earns interest. Some whole life policies also pay a dividend, which represents a portion of the company's profits made during the prior year.

The cash value grows tax deferred and can either be used as collateral to borrow from the insurance company or be directly accessed through a partial or complete surrender of the policy. It is important to note, however, that a policy loan or partial surrender will reduce the policy's death benefit, there could be income tax implications, and a complete surrender will terminate coverage altogether.

Note: Guarantees are subject to the claims-paying ability and financial strength of the issuing insurance company.

Universal life insurance

Universal life is another type of permanent life insurance with a death benefit and a cash value account. A universal life insurance policy will generally provide very broad premium guidelines (i.e., minimum and maximum premium payments), but within these guidelines you can choose how much and when you pay premiums. You are also free to change the policy's death benefit directly (again, within the limits set out by the policy) as your financial circumstances change. But if you want to raise the amount of coverage, you'll need to go through the insurability process again, probably including a new medical exam, and your premiums will increase.

Variable life insurance is a type of cash value coverage that allows you to choose how your cash value account is invested. A variable life policy generally contains several investment options, or subaccounts, that are professionally managed to pursue a stated investment objective. Choices can range from a fixed interest subaccount to an international growth subaccount. Variable life insurance policies require a fixed annual premium for the life of the policy and may provide a minimum guaranteed death benefit. If the cash value exceeds a certain amount, the death benefit will increase.

Variable universal life insurance

Variable universal life combines all of the options and flexibility of universal life with the investment choices of a variable policy. You decide how often and how much your premium payments are to be, within policy guidelines. With most variable universal life policies, you can direct how your premium payments are invested among policy subaccounts. But you get no guaranteed minimum cash value or death benefit, and the investment return and principal value of the investment options will fluctuate. .

Joint and survivor life insurance

You and your spouse may choose to buy a single policy of permanent insurance that covers both of your lives. With first-to-die, the death benefit is paid at the death of the spouse who dies first. With second-to-die, no death benefit is paid until both spouses are deceased. Second-to-die policies are commonly used in estate planning to pay estate taxes and other expenses due at the death of the second spouse. Other than the fact that two people are insured by one policy, the policy characteristics remain the same.

Bottom line

Life insurance protection for women is equally as important as it is for men. However, women's life insurance coverage is often inadequate. It may be time to consult an insurance professional who can help you assess your life insurance needs, and offer information about the various types of policies available.

Note: Variable life insurance and variable universal life insurance policies are offered by prospectus, which you can obtain from your financial professional or the insurance company. The prospectus contains detailed information about investment objectives, risks, charges, and expenses. You should read the prospectus and consider this information carefully before purchasing a variable life or variable universal life insurance policy. There are contract limitations, fees, and charges associated with variable life and variable universal life insurance, which can include mortality and expense risk charges, sales and surrender charges, investment management fees, administrative fees, and charges for optional benefits.

IMPORTANT DISCLOSURES

The Broker/Dealer that supports us is Royal Alliance Associates, Inc., which is backed by our clearing firm, Pershing LLC (Member NYSE/FINRA/SIPC). Pershing is a leading global provider of clearing and financial services outsourcing solutions to more than 1,100 institutional and retail financial organizations and investment advisors. Pershing is a member of BNY Securities Group and a subsidiary of The Bank of New York. Your accounts are protected and maintained by Pershing in the U.S. and follow the underlying terms of SIPC protection. To learn more about Royal visit www.royalalliance.com