



The Benefits of Permanent Life Insurance

By Marshall Weinstock

In most situations where a strict suitability standard is applied term life insurance meets the need of families in over 95% of cases. While the reason people have life insurance change throughout their lives, many find a need to have coverage that will last until the day they die. Permanent life insurance plays a crucial role in estate planning and business cases than term insurance does not.

The Benefits:

Life long insurance protection

Guaranteed level cost, death benefit and potential for cash values

Policy can be surrendered for cash

Policy can be “paid up” at some time requiring no future premiums

Policy can be sold to a third party for cash if there is no longer a need for it

Dividends can be used to purchase more insurance thus increasing the death benefit over time

In estate planning cases where there is a need for estate liquidity is needed and a life time permanent insurance is very often the only product that satisfies this need. No mutual fund, term insurance or other produce can satisfy the need like permanent insurance. Also in executive deferred compensation permanent insurance is usually used for its tax deferred build up of cash to fund the executive compensation upon the executive’s retirement.

Very often some combination of term insurance and permanent insurance best meets the needs of individuals seeking protection and leaving a legacy to future generations. Because term insurance provides the greatest coverage for the least cost it should always be the first consideration before looking at permanent coverage.

Individuals however would be wise to keep an open mind and consider some permanent insurance with term insurance so that they will have coverage to pay final expense and perhaps leave a lasting legacy for loved ones. A national brokerage firm like E Insure Mart can educate people to all the options in the marketplace so they can craft a plan to meet their families need for protection currently with the goal of perhaps leaving a lasting legacy.