

# Understanding Insurance

## Coming To Terms With Term Insurance

by John Addison

(NAPS)—Buying the right kind of insurance protection can make a major difference in a family's welfare.

Men and women who purchase life insurance usually do so for two reasons.



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- They want to insure their family's standard of living in the event they are no longer there to contribute to the family's finances, and

- They want to make sure the money needed to cover burial expenses doesn't drain the family savings or interfere with long term family goals, such as a child's education.

Most life insurance products fall into one of two categories—cash value or term.

Term insurance is pure protection purchased for a specific period of time. That's why it's called term. In the event of your death, your beneficiaries collect the policy's death benefit.

Some people will promote cash value policies—including whole life, universal life and variable life products—as a way to build wealth since it is possible to take a loan against the value of the policy and some policies pay a dividend.

Critics, however, believe cash value policies are an inefficient investment vehicle and better returns can be found in more tra-

ditional investment products such as mutual funds.

At Primerica, we believe separate life insurance and investment programs allow consumers more flexibility to change either your protection or investment program without affecting the other. They also offer greater control over the choice of investments.

For example, term policies offer consumers the benefit of financial protection at a lower initial premium than cash value policies. They also offer the opportunity to take the money not spent on insurance and invest it in a product that offers the potential for significantly better returns than those available through a cash value life policy.

Because term insurance offers pure protection without bundling a savings element, it has the lowest initial premium. It's affordable and easy to understand—that's often what makes it so popular with young families who are trying to come to terms with their insurance needs.

The financial professionals at Primerica have created a guide that shows you how to take control of your financial life. To get a copy of *The Solution*, write to Primerica, 3120 Breckenridge Blvd., Duluth, GA 30009, ATT: Corporate Relations, or call 770-564-6329.

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