

Term vs. Permanent Life Insurance

Are you throwing your money away with term life insurance? When your term life insurance policy expires, much like renting a home or apartment, you have to search all over again for a new policy with nothing to show for your last one. However, there are even more advantages to purchasing permanent life over a term policy.



Owning / Permanent Ins.

vs.

Renting / Term Ins.

Intended to cover a person for their entire life.	Covers an insured person for a limited time, typically 5 to 10 years.
Premiums will be constant for the insured's lifetime, or a set period of time, and may cease at some point while the policy continues to be in force.	Premiums may increase each year, or be level for a period of time such as 5 or 10 years, then increase dramatically if the policy is continued.
Permanent Insurance builds cash value and equity, and continues to provide coverage.	Term insurance builds no cash value or equity, leaving you to purchase equivalent coverage for a higher cost at the end of the policy.
Cash value of Permanent Insurance can be used for emergencies.	Term Insurance offers no cash values or borrowing of cash values.
Premium can often be skipped or reduced after the policy begins to build cash reserves.	Term Life premium must be paid regularly.
Cash value growth is generally tax-deferred.	Term Life Insurance offers NO tax deferral.
Permanent Life insurance can be assigned as collateral and deemed an asset in net-worth calculations, much like home equity.	Term Life offers no benefit to anyone unless the insured dies.

The bottom line is, much like renting a home, when the term life contract is up you must purchase again. Permanent life policies provide coverage while building value for you and your family.

Let's discuss strategies to provide protection for your family and build value now.

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