

# WHAT IS LIFE INSURANCE?

Life insurance is a way to provide protection to family members and loved ones. You need life insurance if you have children, a spouse/partner or if you support elderly parents. Life insurance can provide a financial death benefit and help your loved ones cover the cost of:

- Final expenses
- Daily living expenses
- A mortgage
- College expenses and more

Depending on the coverage amount, life insurance can also be used to leave an inheritance to loved ones.

Life insurance provides numerous benefits, including:

- Peace of mind
- Protection when challenging or life-altering events occur (like a pandemic, etc.)
- The potential for financial security
- And much more

Here's something to consider:

# 68%

of people who own life insurance feel financially secure as compared to those who don't have life insurance.<sup>1</sup>

## What Are the Different Types of Life Insurance?

It's important to understand the difference between the types of life insurance, so you can be more informed about your options.

Permanent Life Insurance		Term Life Insurance
<b>Whole Life</b>	<b>Universal Life</b> <b>Indexed Universal Life</b> <b>Variable Universal Life</b>	
<b>Protection</b> for the duration of your life with guaranteed cash value growth, as long as premiums are paid	<b>Permanent Protection</b> for the duration of your life with opportunity for cash value growth, as long as premiums are paid	<b>Protection</b> for a specified time period with lower premiums than permanent life insurance policies; lower maximum applicant age
<b>Fixed Premiums</b> for the duration of your life	<b>Premiums</b> are not guaranteed and may increase or decrease	<b>Premiums</b> increase with age on purchase but are fixed for the length of the term



Here's something you may not realize:

**Life insurance obtained through a job may end when you leave or retire.**

Talk to your employer about your policy and to your insurance agent about options to replace or supplement your employer-provided insurance.

## 1. WHAT IS A DEATH BENEFIT?

A life insurance death benefit is typically a tax-free amount of money that is paid to your beneficiaries if you pass away while your life insurance policy is active. If you want your life insurance to pay a benefit regardless of when you die, then you'll want a permanent whole life insurance policy.

## 2. WHAT IS CASH VALUE AND HOW CAN I ACCESS IT?

Cash value is a separate savings component of a permanent life insurance policy that grows tax deferred. You can access the cash value by withdrawing or borrowing against it to pay premiums, to supplement retirement income and more. Accessing the cash value will reduce the death benefit amount.

## 3. WHY CONSIDER A TERM LIFE POLICY?

Term insurance provides coverage for a specific time period (for example, 10, 20 or 30 years). There is no cash value. Most people who purchase a term policy want protection for a shorter period of time to pay for short-term debt in case of premature death.

## 4. WHY CONSIDER A WHOLE LIFE POLICY?

Whole life is a form of permanent life insurance that provides protection from the time you purchase the policy until the time you pass away, as long as you pay the required premiums. Permanent life insurance has a cash value component. It provides protection for long-term needs, including to help cover the cost of final expenses, to help pay a mortgage and living expenses or to leave a legacy to loved ones as part of an estate plan.

**Gerber Life has an array of whole life insurance products designed to provide protection for a lifetime**, as long as premiums are paid, that provide guaranteed premiums, cash value and death benefits.<sup>2</sup>

Did you know

**>50%**

of Americans overestimate the cost of life insurance?<sup>3</sup>



**Contact your insurance agent to learn more about Gerber Life's products, to get a quote and see how our rates can fit within your budget!**

<sup>1,3</sup>2022 Insurance Barometer Study, LIMRA and Life Happens<sup>SM</sup>

<sup>2</sup>Policy will remain in force, premiums are guaranteed not to increase, and the death benefit and cash value are guaranteed as long as payments are made on time and within the Grace Period specified in the policy. The cash value and death benefit will be reduced by any outstanding loans. The policy loan interest rate is 8%.

Gerber Life will not accept insurance applications for coverage submitted under a Power of Attorney or Guardianship on the proposed insured, except from the permanent legal guardians of children.

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