

Term, Universal & Whole Life Insurance Information

(Maryland & northern Virginia)

Life Insurance can help protect your family and is an excellent way to accumulate money for college, retirement or unplanned expenses. A person should have life insurance that approaches six to eight times their annual gross income. Under current laws, there is generally no federal income tax on death benefits paid to a named beneficiary

Using the strength and experience of our life insurance markets, we offer affordable term life, whole life, and universal life insurance policies.

Term Life Insurance Policy Information - Maryland

Life insurance coverage for a specified length of time. A term life insurance policy is usually purchased with a particular need in mind. Beneficiaries will collect, usually tax free, the face value of the policy upon the insured (your) death. Term life is attractive for those with a limited income, high short term insurance needs, or for personal family protection.

If the insured survives the time period, the policy expires. There is no cash value at the expiration of a term life insurance policy. Some policies have a convertible feature permitting a policyowner to exchange a term policy for a cash value policy without evidence of insurability.

Level Term Life Insurance Policy Features

A constant death benefit and a level premium for a specified number of years. We offer 10, 15, 20, and 30 year terms.

Decreasing Term Life Insurance Policy Features

Has a decreasing death benefit and a level premium.

Whole Life Insurance Policy Information - Maryland

The most popular choice for those seeking to cover permanent needs, such as contributing to a survivor's nest egg, paying off final expenses, etc. Whole life insurance provides permanent, lifelong insurance coverage. The benefit amount remains the same and is payable to the beneficiary(s) at the time of the insured's (your) death. It also offers an opportunity to build cash value, so you can take a loan on your policy to fund major purchases or to provide for unexpected costs.

Whole life insurance has a fixed premium and a level death benefit to age 100. The premiums don't increase with age, which averages the cost of the policy over your life. The cash value increases with time until it equals the death benefit at age 100. This type of policy never has to be renewed or converted. The cash value is an amount of money that you are guaranteed to receive in the event of policy cancellation.

Variations of Whole Life Insurance include:

Modified Premium - lower fixed premium for the first 3 or 5 years, and then premiums increase. These policies work well for individuals that expect to improve their financial condition in the near future.

Graded Premium - premium increases each year for the first 5 years,

and then is fixed.

Advantages of Whole Life Insurance

1. guaranteed protection for life
2. level death benefit that is generally tax-free
3. premiums do not increase in correlation with your age
4. cash may accumulate tax-deferred

Disadvantages of Whole Life Insurance

1. premium costs may make it difficult to buy enough
2. need to carry a whole life policy for a considerable length of time to be very beneficial
3. cash value may be less than your face value
4. cannot vary your monthly premium payment and the premium-paying period may be lengthy
5. amount of coverage cannot be increased at a later date

Universal Life Insurance Policy Information - Maryland

A flexible premium policy that combines protection against premature death with a savings account that typically earns a money market rate of interest. A universal life insurance policy is a combination of term life insurance protection with the cash savings value of whole life insurance. Interest rates paid on the cash value are typically higher than with whole life insurance because they tend to follow the markets.

Premiums for universal life insurance policies can be paid in a lump sum, annually, or anywhere in between. Interest on the cash value is usually guaranteed, but will vary according to the investment performance. Each month deductions are made from the cash value fund to support the costs of the insurance protection. As long as the cash value is substantial enough to maintain the monthly costs, the policy will remain in force.

Typically the death benefit reduces in proportion to the increase in cash value, thus causing a level death benefit.

Variable Universal Life Insurance Policy

Combines the growth potential of stocks with a guaranteed death benefit. It allows premiums to be paid, reduced, or even skipped at any time, and the contract will not lapse as long as sufficient cash value is available.

The cash value fund can be split between different investment mediums, such as bond funds, stocks, and money markets. It's interest-sensitive and allows for an adjustable death benefit.