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IDOI
ILLINOIS DEPARTMENT OF INSURANCE

LIFE INSURANCE AND ANNUITIES 101

TERM LIFE

- Purchased for a specific period of time (i.e. 1, 5, 10, 20, 30 years).
- Pays death benefit if death occurs during that time, or when offered by an employer, during period of employment.
- Premiums are set for the term, but many term policies auto-renew as an annual renewable term policy with increasing annual premiums.
- Practical for people who need a large amount of coverage during a specific time.

WHOLE LIFE

- Purchased as coverage meant to be in effect for life.
- Pays death benefit upon death of policy holder as long as premiums are paid on time.
- Premiums are fixed throughout lifetime.
- Cash value accumulates over time and possible dividends.
- Practical for individuals who want a set premium throughout lifetime with a guaranteed death benefit., along with a potential for cash value and dividends.

ANNUITIES

- Purchased as a way to provide guaranteed income in retirement
- While there may be a death benefit, it is a type of insurance most used for living benefits (similar to a 401K).
- Premium is a one-time lump sum, or a series of payments.
- Opportunity to add on additional riders.
- Practical for individuals who seek a steady source of income during retirement.

UNIVERSAL LIFE

- Purchased as coverage intended to be in effect for life.
- Pays death benefit upon death of policy holder, if policy did not experience investment losses.
- Premiums are flexible..
- Investment feature makes cash value less guaranteed.
- CAUTION: Death benefit is not always guaranteed.

Life Insurance can provide much more than a death benefit.

We encourage you to work with a licensed agent to find the plan that fits your needs and budget.

RIDERS = ADD-ONS TO YOUR POLICY

Long-Term Care

Accelerated Death Benefit

Waiver of Premium

Guaranteed Insurability