Choose Between Term and Universal Life Insurance

by Elissa Joyce

Article published on December 8th 2011 | Business

There are several kinds of life insurance policies available in the market, on the other words, market is flooded with several life insurance policies. Anyone can be confused between them, but itâ€™s the matter of your life security. You need to choose the perfect policy that can protect you and your family.

Usually people rely on the sales person or agents to choose a policy, while only few are honest and provide real details to their clients. Better to compare yourself to find out the best one. But donâ€™t repeat mistakes that most of people do, generally people compare terms vs. universal life insurance quotes. While the requirement can vary according person to person and family to family. You need to consider specific requirement and financial goals. May you get best coverage with universal life insurance at cheaper cost or term life insurance provide you affordable, feature rich policy.

First you need to understand both insurance policies then decide which would be suitable for you. Letâ€™s start with term life insurance.

Term Life Insurance

It is one of the cheapest policy coverage but in case you want to replace or renew the policy then it is only possible at the end of term period at higher rates. The policy rate depends on the personâ€™s health and age. These two factors majorly affect rates, if you are a younger person with good health, you can get comparatively lower price. While an old person need to pay higher premiums.

The 25 year old person can get cheap term life insurance policy for 30 years and when he/ she needs a new policy at the age of 55 may it cost less. For the young families, may term insurance be exceptionally affordable. But the price would increase in later years according to age and health problems.

Universal Life Insurance

Permanent or universal life insuranceâ€™s cost depends on the average life span of the person. It might possible that cost of 25 year old personâ€™s insurance plan rate initially be higher than term life insurance. But the rate would be same for the lifetime, there is no need to renew or replace insurance policy. The single policy will be with you for lifetime and same premium rates at the age of 55, 65, 75, etc. And not only this, features will remain the same for life long.

Pros And Cons

a. Term life insurance is comparatively lower in price initially than universal life insurance.

b. Universal life insurance provides fixed premium rates while termâ€™s can vary according to age and health.

c. Term life insurance provides death benefits, while universal is good as investment with same insurance coverage. However the performance of investment can fluctuate and affect your death benefits with universal. While with term you get fixed death benefits.

d. Term life insurance doesnâ€™t have cash value, in case insured person outlives the policy. The insurer company would not provide any death befits and retain the premiums. While universal

provides guaranteed death benefits.

It does depend on you and your financial status to choose one of the insurance policies. Both have pros and cons, you need to choose the most suitable or prefect one. You have options to choose from. But do you actually know what you need to consider while buying any insurance policy. Whether you buy term or permanent few factors should be accounted closely.

Life Insurance Comparison Factors

a. Premium Cost affordability

b. Death Benefits

c. Access To Your Money

d. Cash Value

e. Various Advantages Such As Tax Benefits

f. Market Participation

g. Payment Flexibility

How to find the perfect one?

There are some websites that can help you to choose the perfect one easily. These are simple to use and ask for little information. First of all you need to provide your area zip code, accordingly the website consider specific policies for you. You will be able to know advantages, features and price of universal life insurance quotes policies from top life insurance companies.

Choose one of the affordable plus suitable policies for you and live your life tension free.

Article Source:
http://www.articleside.com/business-articles/choose-between-term-and-universal-life-insurance.htm - Article Side

Elissa Joyce - About Author:
No one knows about their future but a wise person can secure his/ her life with a great a universal life insurance quotes policy from a top life insurance companies. Just pick one from right place at right time.

Article Keywords:
cheap life insurance quotes, universal life insurance quotes, american general life insurance company, types of life insurance policies, what is life insurance, term life insurance calculator, permanent life insurance quotes, no medical exam life insuranc

You can find more free articles on Article Side. Sign up today and share your knowledge to the community! It is completely FREE!