Universal Life Insurance Policy: the Most Flexible Policy for You by Elissa Joyce

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After you have decided to buy a whole life insurance policy, there are still many options with varying features. But given the flexibility offered, universal life insurance policy is the best; provided you can keep watch on the market trends and can keep the dates for paying the premiums. It is true particularly for the initial phase of the policy when you have not enough saving with the policy to pay your premiums through the savings only.

Like other whole life policies, this policy offers coverage for whole life and the nominees here are to get considerable amount in case of death of insured person. The additional benefit comes as the saving feature. You donâ€™t only pay the premiums, which is kind of cost of the insurance; but you also pay an additional amount with the premium that goes into your savings. This additional amount earns interest on it. As it is invested in equity market as well, you may find it multiplying faster than any bank savings. But herein lies the risk â€“ the share market can occasionally harm you, when the stocks of the company your money is invested in, come down.

There are options of blocking your money from being invested in the stock market for the time being. And later when you think the market is back to normalcy and you can take risk of investing, you may â€˜switch onâ€™ the process.

This additional feature of saving brings you another benefit. It is flexibility of paying your premiums from the saving component of your deposits with the insurance company. As you may easily appreciate, it can be taken advantage of only after you have deposited the premiums for a certain number of times. It is only after you have accumulated your savings that you can pay your premium from it. So it adds to the flexibility for you.

The premiums are to be paid on a monthly basis in this policy. But the saving component accumulates and you earn interest on it as one does with his/her investments. The terms last longer than other policies as it brings benefits of flexible investments. The usual minimum term lasts 20 years.

The flexibility is not limited only to the option of paying premiums from the savings. You deserve and have flexibility to adjust and readjust the premium amount during the term, but the premiums affect the cover amount as well.

You have to keep eye on the market fluctuations as the interest rate fluctuates with the stock market fluctuations. The prices of stocks the insurance company invests in, decide the interest rates on your savings with the insurance company. Usually a certain percentage of your savings amount is invested this way. But in any case the algorithm is made clear to the buyer at the very time he buys the policy.

Suppose you foresee or guess that the stocks would fall in the market. You have such options like you can ask for holding your money from investing in stocks. You can switch off and again switch on the investment for a certain number of times every year. By exercising switching off option, you can protect your savings from the market risks.

Now suppose the stocks get sky high soon after you bought the policy. In this case you may even get rid of the burden of paying premiums for ever. Now you may like to switch off the option of investing in stock market and relax as you would not have to pay anything then onwards.

But you may like to have an eye on the market even after this as well. This you would do intelligently or greed fully (it is how you take it) in order to squeeze more from the markets by seeking a bright time to switch the option on.

The death benefits are less than that with whole life insurance and you have additional burdens of keeping track of the markets and keeping changes in saving and premiums accordingly.

It has a benefit of permanent life insurance policy as you are covered throughout your life. The flexibility factor is additional and you can appreciate the pros by comparing various permanent life insurance quotes. You can easily get them over the internet.

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The flexibilities of adjusting and readjusting the premiums and savings with the a universal life insurance policy or a permanent life insurance quotes give it a competitive edge over other policies. If you can have track of market fluctuations, it is a good avenue not only for insurance but also for investments.

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