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Understanding the Basics of Survivorship Life Insurance by [Davidrichard](#)

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Survivorship Life Insurance is also known as the Second to Die Life Insurance in terms in insurance industry. Unlike the traditional insurance policies, this insurance covers the life of two individuals. This policy chosen by husband and wife mostly but sometimes this is also preferred in a civil union.

This policy is little different from the usual insurance policies in one main way. In case of death of an insured, the insured amount is not paid out to the survivor of the policy. The insured amount is paid only if the second survivor also passes away. In the federal estate tax laws, the survivor spouse is usually given all the assets irrespective of the amount of assets. But in case of Survivorship Life Insurance policy, taxes are not levied at the time of death of one partner. The insured amount is taxed only when the second survivor also passes away, while the benefits are passed on to the children. This kind of policy is usually taken to help the next generation so that their children can get an amount later on. This policy is a favorite among many rich persons. The policy helps to give a life to the younger people to lead a better life when there is no one to take care of them. The policy owners try to save their wealth by taking the Survivorship Life Insurance policy.

Survivorship Life Insurance policy charges less premium when compared to other life insurance policies. This is a main advantage of this policy. In this policy the premium amount is decided based on the life expectancy of the two persons on whom the policy is taken. The insurance company need not pay any amount until there is one survivor. As a result, this policy is must cheaper when compared to buying two separate life insurance policies. There is the Universal life insurance where one can decide on the premium and death benefits to be arrived later. This also allows you to adjust the amount according to your evolving needs. This policy provides lesser guarantee at lower premiums.

This policy is preferred by companies even when one of the spouse is not well and no policy can be taken on the individual due to the health issues. Companies need to pay money only when there is no survivor. So this policy is taken by persons with not the best of health. This method is often used by wealthy persons to save their money for the future generation. They want to secure their wealth for their heirs by taking Survivorship Life Insurance policy.

In this type of policy, the insured money is given only to the children. The amount of the wealth is directly given to the heirs. This will help them to pay the taxes later on. Unlike the Universal life insurance and whole life policies, there is no investment component in this kind of insurance policy. Survivorship Life Insurance policy is generally preferred by parents of mentally ill children as they can be assured of transferring the insured money only to their children.

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