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Whole life insurance is an excellent life insurance plan because it remains in force throughout the life of the policy holder. This life insurance plan requires premiums to be paid every year. Whole life cover policies are also capable of providing lifetime death benefit coverage for a particular premium level. The policy premiums of whole life cover plans are much higher in comparison to term insurance plans. However the policy premiums of this life cover plan rises automatically as their age increases after every renewal. The cumulative value of all the premiums is paid across a life time because these insurance policies are maintained until their average life expectancy.

The cash value of whole life insurance policies can be accessed at any time with the help of policy loans that are guaranteed by the company. Well, I would like to bring this to your knowledge that if there are any unpaid loans upon the death of the policy owner, the insurer subtracts the loan amount from the death benefit and pays the remaining amount to the beneficiary named in the policy. You need to be very much clear and specific before purchasing whole life insurance policies from an insurance company. You must check all the terms and conditions of these insurance plans and then invest your money accordingly.

There are six traditional forms of whole life insurance policies and they are: non-participating, indeterminate premium, participating, limited pay, single premium and economic policies. Further in this article, I am going to provide you with some key information regarding traditional forms of whole life insurance. Make sure that you read this article carefully.

Non-Participating

In a non-participating form, all the values that are related to the policy are determined with the help of various policy issues. Some of the major issues may include cash surrender, death benefits and premiums. The insurance company also assumes all the risks that are involved with the future performance of the policy.

Participating Policy

In a participating policy, the insurance company is responsible for sharing the excess profits with the policy holder. The refunds that are included in participating policy are not refundable.

Indeterminate Premium

Indeterminate premium policy is very much similar to non-participating insurance plan. The premium amounts of indeterminate premium may vary every year. However the policy premium amounts do not exceed the maximum premium that is guaranteed in the policy.

Economic Policy

Economic insurance plan is basically a perfect combination of term life insurance and participating policies. A part of the insurance plan dividend is used for purchasing some additional term insurance. Economic policy can also be used for generating a high death benefit. However in some of the policy years, the dividend lies below projections and this results in decrease of death benefit.

Limited Pay

Limited pay policy is very similar to a participating policy but their coverage is limited to a certain number of years.

So, these are some useful facts regarding whole life insurance. I am sure that this live cover policy will make life easy and tension free.

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