

Whole Life Insurance vs. Term Insurance



Provided by the Insurance Education Institute

Name: _____

Instructions: Please read the following sentences and indicate which are associated with Term Life by using a “T” and which are associated with Whole Life by using a “W”.

1. ____ This insurance is a good choice for young people who can't afford the higher costs of permanent insurance, or for people with financial obligations that will disappear in time, such as a car loan or a mortgage.
2. ____ This insurance has a cash value.
3. ____ You buy this policy with a specified time period, usually one, five, or ten years.
4. ____ Unless you make a change to your policy, you have lifelong coverage with no future medical exams.
5. ____ Premiums are generally much cheaper than cash-value policies
6. ____ This is a good choice for young people, who are unable to afford the higher cost of permanent insurance right now.
7. ____ Your premium will remain constant during the time you are covered unless you choose otherwise.
8. ____ The risk with this life insurance is that your health might deteriorate and you could be unable to get another policy once the policy expires.
9. ____ With this life insurance policy the costs are spread out over your entire life.
10. ____ If you are interested in using the policy as a form of savings, consider this type of life insurance policy.