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Whole Life Insurance: Knowing It And Getting To Know Its High And Positive Trade -Offs

Roughly categorized as a pre-need investment, [life insurance](#) falls into two categories - the whole life and the term insurance. What's the difference between the two? Here are the key points.

If you want to continue paying the premiums of your plan, then you will have a whole [life insurance](#) policy that will cover for the lifetime. This type of insurance will let you avail all the benefits until you reach the age of 100 because it will earn cash value that starts in the first year of paying your premiums. The good thing of having this type of insurance is that instead of paying an increasing fee, you will just be paying the same amount for the rest of your life while in the term insurance, your premiums will increase every time you renew your policy. Aside from that, the whole life insurance will guarantee you a cash value, but both types of insurance should be paid continuously in order to avail their benefits.

It is best to have the whole [life insurance](#) coverage because your paid premiums will build up and you can be assured of a cash value which you can claim anytime or even if you decide to stop paying your premiums. This type of insurance policy will allow you to save and accumulate cash value which can be paid on tax-installment basis.

Other life insurances can earn higher cash values more than the guaranteed amount which depends on the how much they get from the market interest rates. The performance of the insurance company will also affect the cash value of those who avail the whole life insurance policy, but this type of insurance policy differs from other life policies because other insurances cannot guarantee a cash value.

As a policy holder of whole life insurance, the insured individual could also avail of a loan against his share of premiums in the company. Instead of borrowing money from other sources, the policy holder could apply for a loan in the amount commensurate to his contribution of the life premiums.

The benefits of the whole life insurance policy will never change and provides you a security of a lifetime. Due to the interest earned in this policy, the policy holders will also get dividends from their cash value. One good option of this insurance is that policy holders can borrow money with lower interest rates due to the annual adjustment of its interest rates, it is not adjusted monthly.

Yes, whole life insurance could be a great investment as it demands fixed premium and paying period is quite longer, but the advantages are really beyond compare. It's a great investment. So, now that the high and quality trade-offs of whole life insurance are herewith mentioned, try to grab a whole life plan, and surely rewards will be great for you. If in case budget would not suffice, there is always the term insurance which could be the least preference, right? So, hurry and get a whole life plan now.