

# Why People Buy Life Insurance

## People Buy Life Insurance:

### For the Death Benefit:

- To replace earning power at death
- To pay for cash needs that arise at death

### As a Disciplined Savings Program\*:

- To help pay for educational costs
- To supplement retirement income
- To take advantage of business opportunities
- For financial emergencies

### Because of the Risk of Waiting:

- Insurability may be impaired or lost
- Premiums are lower now than they will be at a higher age
- To begin building cash values that may be used in the future for collateral

### For the Tax Advantages:

- Death proceeds are received free of income tax
- Cash value accumulations are tax deferred
- Cash value loans or withdrawals\* are free of tax, as long as the policy stays in force
- Accelerated death benefits are received free of income tax

### In Recognition of Personal Responsibility to:

- Family
- Banker
- Mortgage company

### For the Flexibility:

- Benefits may be available regardless of whether the policyowner lives, quits, dies or becomes disabled
- Life insurance is portable; benefits are not lost due to job changes

\* Withdrawals and loans will reduce the policy's death benefit and cash value available for use.