

**WHOLE LIFE INSURANCE**

# A Certain Solution

Whole life always delivers—and is now cheaper and more flexible than ever.

Every day seems to bring more news of economic uncertainty and financial worries—foreclosures, layoffs, cutbacks and poor stock market performance, to name a few. And each headline creates an atmosphere in which people, more than ever, want guarantees and assurance. They want to know that *something* in their financial plan will work as advertised, regardless of the latest news to roil the markets.

Whole life insurance fits that bill, and agents do their clients a great service by introducing it to them. Not only does whole life insurance provide the guarantees for which many clients are looking, it also is more affordable and flexible than ever due to product innovation. This means that knowledgeable agents can better address the two biggest issues that traditionally have concerned clients: cost and the potential for changing needs.

**New innovations**

For example, one increasingly popular product design blends term life insurance with whole life insurance. Dividends from the latter are used to convert the term insurance to whole life insurance over time. This design enables clients to obtain the policy they want in a more affordable fashion. Also, some whole life products allow the policy owner to “dial up” or “dial down” coverage according to his changing needs, all within the same policy.

An often-raised concern about whole life is that the early-year cash values are very low. There is at least one whole life insurance product that addresses this concern and it is sometimes called high early cash value whole life.

High early cash value whole life insurance helps address the concern of some clients that they will “lose” their premiums



**One product design blends term life with whole life insurance.**

if, soon after they purchase the policy, they need the money back. Some high early cash value whole life insurance products give policy owners the peace of mind that, in an emergency, they can get at least 90 percent of their premiums back.

However, in my experience, once people have whole life insurance they keep it—and they are especially thankful for doing so during uncertain economic times such as these. Why? Whole life insurance has the flexibility that enables a client, working with an agent, to adapt to changing times and life circumstances. For example:

- Whole life’s guaranteed cash value enhances a client’s ability to plan for future financial needs.

- Whole life’s cash values can supplement income in retirement or make up income shortfalls when other investments fall short of their mark. (Access to cash values through borrowing or partial surrenders can reduce the policy’s cash value and death benefit, increase the chance the policy will lapse and may result in a tax liability if the policy terminates before the death of the insured.)
- Whole life is a great insurance-planning vehicle to provide funding for estate taxes and charitable gifts, enabling the policyholder to provide a legacy for loved ones and favored organizations.
- While not guaranteed, dividends from a solid mutual company can provide a resource on which the policyholder can draw, increase the policy’s death benefit and cash value, convert term coverage to whole life or offset some or all of the premiums due.
- Like other permanent insurance products, whole life offers tax-deferred build-up of cash values and, generally, a tax-free death benefit.

In uncertain times such as these, it’s comforting as an agent to know that you can deliver at least one sure-fire guaranteed solution to your clients and know that it will live up to its billing. With whole life insurance, you’ll never have to tell your clients that their premiums have gone up, and you’ll always have the peace of mind that comes with knowing you have serviced them well by securing their future and diversifying their portfolios. □

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