



Critical decisions, such as buying a home, getting married or having children, require deliberate, thoughtful consideration. Indeed, the outcome of any one of these decisions can irrevocably change your life for better or worse. But, delaying the purchase of life insurance can be a costly mistake for you and your loved ones. Waiting just a few years can have a negative impact on several key areas of a life insurance policy.

### Whole Life Insurance: Financial Protection Plus Cash Value Accumulation

In its simplest form, whole life insurance protects the people who depend on you for financial support — no matter what happens to you tomorrow. Aside from providing money to your beneficiaries to replace your income, whole life insurance also offers guaranteed\* cash value accumulation on a tax-deferred basis, as long as the policy remains in force. If available, cash value can be borrowed against to fund a child's education, supplement your retirement income, or meet an emergency cash need. Remember, policy loans accrue interest at the current variable loan interest rate and reduce the total cash value and total death benefit by the amount of the outstanding loan and accrued loan interest.

### The Effects of Waiting

Since a portion of the premiums paid accumulates cash value each year, over the long term, cash value accumulation can be considerable, especially since taxes on the growth are deferred. Generally speaking, the sooner you start paying policy premiums, the faster your cash value may accumulate.

A whole life policy is also eligible to receive dividends, if and when declared by the insurance issuer. Unlike cash values, dividends are not guaranteed. In addition, past dividends are not indicative of future dividends. As a policyholder, you have several options for dividends usage. For example, you can take dividend distributions in cash or apply dividends to add insurance coverage through the purchase of paid-up additional life insurance. Paid-up insurance is also eligible for dividends, has cash value and requires no additional premiums. Other dividend payment options may be available. So, waiting in this case can cost you the opportunity to

## □□□□ Life Insurance: Can You Afford To Wait?

Written by Vanessa Hall

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increase the benefit paid to your beneficiaries.

Although you're healthy now, you decide to delay purchasing whole life insurance for five years. In five years, you may suffer an unexpected health condition, which may place your insurability in jeopardy. In the worst-case scenario, if you were to die in the next five years, the cost of waiting would be the death benefit your beneficiaries would not receive.

Remember, purchasing life insurance is a major decision. So, it's important to take the time to gather all the necessary information and choose the coverage that best suits your needs. While the decision is up to you, keep in mind that postponing your decision can prove to be costly.

\*Guarantees backed by the claims paying ability of the issuer.

*This educational third-party article is being provided as a courtesy by [Vanessa Hall, CLTC, LUTCF, Agent. For additional information on the information or topic(s) discussed, please contact Vanessa Hall at 713-499-7605 or email me at [pvhall@ft.newyorklife.com](mailto:pvhall@ft.newyorklife.com)*

*New York Life Insurance Company*