



Benefits of Establishing Life Insurance for Children

Life insurance is not only for Adults. Several individuals have chosen to insure their children for a number of reasons. Here are a few of the benefits providing Life Insurance for your children will create.

➤ **Death Benefit**

- None of us want to believe that we could possibly bury our children. As sad of a thought that is, it does happen. Funeral costs are expensive, and if the death of a child is not hard enough, the expenses could ruin your family financially. Sometimes knowing that in case something does happen to your little ones, you will be able to provide them with the services they deserve and be able to mourn their loss without the worry of suffering financially. Life insurance on a child pays for funeral expenses plus the cost of any medical treatments, particularly if the illness was extended. Parents often require professional help after a loss that devastating and some funds can pay for bereavement counseling or in cases of severe depression, to replace their income until they come to grips with the loss.

➤ **Rate & Insurability**

- Purchasing life insurance on a child guarantees that he will have insurance at a lower cost and the policy will remain in place, regardless of later health issues. Even if the child does not suffer any change in health, early purchase of life insurance locks in the cost and policy before he develops bad habits such as smoking, dangerous occupations or risky avocations such as racecar driving. The younger you are when you purchase insurance, the lower the annual cost of the policy. Parents often like to help their children get a good start in life by purchasing policies early for them in order to keep their children's cost lower later in life. Level premium whole life policies do this. Also, term riders for children can be added to a parent's policy.

➤ **Cash Value**

- Some parents like the idea of a tax-deferred savings in the insurance they purchase for their child. Whole life policies and universal life policies offer a cash reserve for later use. The parents may use the money to supplement college costs or turn the policy over to the child as a gift. If the child receives the life insurance as a gift, she can cash it in, borrow from it for a major purchase, take it as a paid up policy or continue to make payments on it. Now, who wouldn't want that for their child!

