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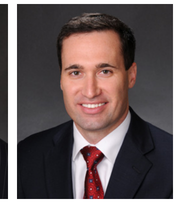

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WOLLMAN, GEHRKE & SOLOMON, P.A.

DON'T JUDGE A BOOK BY ITS COVER PART III: TIPS & CAUTIONS REGARDING LIFE INSURANCE

(PART I & II - REVERSE MORTGAGES & ANNUITIES)

(Life Insurance – An Extremely Valuable & Essential Financial Tool Too Often Used Inappropriately)

When purchased properly from a competent insurance professional, life insurance can be the ultimate financial planning tool. It can be used to replace wealth that disappears due to accident, death, loss of earnings, decline in health, and taxes. It can also help fund charitable bequests, provide estate liquidity, fund a buy-sell agreement between business owners, or indemnify a business for the loss of a key employee.

The Life Insurance industry has been given a lot more than just a black eye. Inappropriate and unsuitable products have been sold by zealous "financial advisors." Like annuities, (which are a life insurance products as well), "the devil is in the details." High commissions, high internal expenses, and decline in the financial markets can result in a policy's failure to perform as anticipated at the time of purchase.

The selection of an insurance product is essential to financial success and there are numerous choices to be made. The common element of life insurance products is the death benefit. As shown below, however, the remaining elements vary widely.

Insurance Design - Most Common Types of Life Insurance

Term Insurance is a type of life insurance policy that provides coverage for a certain period of time (normally a term of years). If the insured dies during the term and the policy is active, then a death benefit will be paid to the named beneficiary. Term insurance is usually much less expensive when compared to permanent life insurance and has no cash value. Term insurance is typically used for younger individuals to protect against premature death.

Whole Life Insurance (or "Permanent Insurance") is a contract designed to provide protection over the entire lifetime of the insured. The single most important reason to own whole life rather than term is that the policy owner can continue coverage for as long as the insured desires, even for the duration of the insured's life. Whole Life Insurance is usually used to build internal cash value, provide asset protection and a permanent death benefit for estate planning.

Universal Life Insurance (also known as "flexible-premium adjustable life") is a type of insurance policy that allows the insured to pay whatever he or she chooses to pay, within certain limitations. Universal life insurance provides a savings element that builds up a cash value, like Whole Life Insurance. Universal Life Insurance additionally allows the policyholder to use the interest from the accumulated savings to help pay premiums. Universal Life Insurance is mostly used to provide flexibility and wealth replacement when one of the above products is not suitable.

Variable Life Insurance is a Whole Life Policy that allows its owner to use policy cash values to select among several mutual fund type investments for the accumulated cash values. The policy owner can typically choose between real estate, growth stock, and income-producing bond or money market investments. A significant attribute of variable policies is that the death benefit amount is tied to the investment performance. Variable Life policies are usually used for 35-55 year olds to create wealth accumulation where market fluctuations deem appropriate.

With numerous choices in the types of policies available, it would take an expert in the field of insurance to help you determine which policy or combination of policies is appropriate for your particular financial situation. We recommend that you invest your time in selecting your professional advisors. Their knowledge and expertise will enhance their ability to navigate through the various options that are available to you.

Go to www.probate-florida.com to read more about this subject.
Learn how you can have your cake and eat it too.

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