

M3 FINANCIAL PULSE

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INVESTMENT SERVICES

EST. 1996

MARK YOUR CALENDAR:

BREAST CANCER AWARENESS MONTH

This year's **Real Men Wear Pink** campaign will be bigger and bolder, with an event to attend if you are inclined. Save the date for October 15th!

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LEARN MORE!



FACT OF THE MONTH

3 in 4 American adults have some form of life insurance, according to results from a Forbes Advisor survey on life insurance. Of those, roughly 6 in 10 men own life insurance, while for women it's less than 1 in 5.

SOURCE: <https://www.forbes.com/advisor/life-insurance/life-insurance-statistics/>



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MAKING DECISIONS ABOUT LIFE INSURANCE*

Life insurance choices can be confusing...

Man is mortal... That makes life insurance a little unique and interesting, doesn't it? We purchase things like health insurance, car insurance, and home insurance, then hope we never have a need to use them. Life insurance is different because it's a widely accepted fact that, sooner or later, each of us will die.

So many choices... When it comes to life insurance, there are many options. You may have heard terms like "whole life insurance," "term life insurance," or "variable life insurance," but what do they all mean? And what are the differences? Well, first, let's point out what they have in common: all life insurance policies provide payment to a beneficiary in the event of your death. Except for that basic tenet, the differences between policies can be major.

Whole Life Insurance: This type of life insurance covers your entire life (not just a portion or a "term" of it). Insurance companies tend to be cautious when selecting their investments, so the benefits could be potentially lower than if you invested on your own. Whole life policies also tend to cost more than "term" policies. This is both because they grow what is known as "cash value," and, after a certain period of time, you will be able to borrow against or withdraw from your whole life benefits.

Term Life Insurance: Rather than covering your whole life, "term" insurance covers a pre-determined portion of your life. If you die within that term, your beneficiaries receive a death benefit. If not, generally, you get nothing. To put it simply, term insurance allows you to purchase more coverage for less money. Basically, you are betting on the probability of your death occurring in that specified "term."

Variable Life Insurance: Variable life insurance is a permanent insurance. Unlike whole life insurance, however, variable insurance allows you to invest the cash value of your policy into "sub-accounts" (which can include money market funds, bonds, or stocks). Variable insurance offers a bit of control, as the value and benefits depend upon the performance of the sub-accounts you select. That means there could be significant risk involved, though, since the performance of your sub-accounts cannot be guaranteed.

Universal Life Insurance: With universal insurance, it all comes down to flexibility. It is permanent life insurance that provides access to cash values, which, over time, build up tax-deferred. You can choose the amount of coverage you feel is appropriate, and you retain the ability to increase or decrease that amount as your needs change (subject to minimums and requirements). You also have some flexibility in determining how much of your premium goes towards insurance, and how much is used within the policy's investment element.

So, which is right for you? Many factors come into play when deciding what type of life insurance will best suit your needs. Our insurance specialist can assist you in looking at all the factors and can help you choose the policy that will work best for you.

CONTACT US today to speak with our insurance specialist about reviewing your coverage needs.

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