Understanding Whole Life Insurance A Guide for Employees

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Whole Life Insurance: How It Works

Do you have a financial safety net for the unexpected?

Can your family deal with a loss of income, disability due to an accident or injury or cover the cost of new vehicle, home out of pocket? For many the answer, is usually no.

But with whole life insurance, people can buy a life insurance policy that protects them for their lifetime and also have the added benefit of cash value. This means that you can use your policy as collateral.

Unlike term insurance which can be cheaper, it can expire, and, in some cases, it has no cash value.

Top 3 Benefits of Whole Life Insurance

1. Does not limit the period of coverage for the life insurance policy

2. Premium amount is consistent for most whole life insurance

3. Withdrawals can be made but they must be paid back, unpaid loans are deducted from death benefit



Young man buying whole life insurance (Shutterstock)

Build Generational Wealth

Think about it, your grandfather died and left a plot of land in his will to you, now you can use this to borrow to build a home or start a business. This scenario and many others have helped families to be successful and create a financial legacy. Caribbean relatives often rely on the support of their family to help them to grow. But this is not the only option.

Whole life insurance can become that generous family member, it can provide employees with a nest egg- financing education, funeral costs, and inheritance for the children and dependents. Generational wealth is not a concept for the wealthy only. The key to achieving it involves proper estate planning and teaching the next generation how to manage their assets.



Example of financial growth using stacked coins. (Shutterstock)

Other Advantages of a Whole Life Insurance

3 Pros to a whole life policy are:

1. Death benefits are usually tax-free, helping ease the burden on loved ones.

2. Cash Value as an Emergency or Opportunity Fund

3. Caribbean employees often face limited access to affordable personal loans or credit.

The cash value in a whole life policy can be borrowed without credit checks and lengthy bank approvals:

a. starting a side business

b. home repairs

c. education expenses

d. medical emergencies

Safeguard Your Finances Against Economic and Environmental Disasters

Our region is at its most vulnerable. Caribbean economies are impacted by natural disasters, tourism declines, food insecurity, inflation, or currency devaluation. During crisis, many people are left with significant debt and loss.

While loans give you an immediate payout, the interest can shackle you for years with no return. Whole life insurance is an assurance of financial growth. This is useful during times of market or political instability.

Boost Your Retirement Fund



Retired couple looking at their monthly budget. (Shutterstock)

There is no such thing as too much money saved for retirement. Life after work is expensive and inflation is not going away. In many Caribbean countries, government pensions and National Insurance Scheme (NIS) may not be enough.

With whole life you can access your money without penalty, unlike some pension schemes. In addition to savings and other investments like mutual funds and trading stocks and bonds online, have several retirement plans are a good strategy to happy life after work.

Next Steps

Think about what it is that you want in your life from a personal and professional level. Do you want to get a new home, new vehicle, start a family or pay for university, a whole life policy can create the foundation for your next financial move in life.

Seek out financial guidance from one of our Sagicor advisors or message us via Sagicor Intelligent Assistant (SIA) on WhatsApp 1 (246) 467-7243. You can also visit sagicor.com to learn more. Remember we can help you reach your dreams and fulfill your goals.