



## Which To Choose: Whole Life Insurance or Term Insurance?

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[Whole life insurance](#) plans while promising excellent permanent coverage for the rest of your life, they are significantly pricier than term insurance plans. Hence, some individuals may misunderstand the significance of having whole life coverage and choose term life insurance as their key coverage policy.

In this article, we list the difference between these two types of insurance plans and also address the reasons that some individuals choose to purchase whole life insurance plans.

### What Are The Key Differences Between Whole Life Insurance and Term Insurance Plans?

#### Policy Duration

Whole life insurance, as the name goes, provides the policyholder with lifetime coverage. Most whole life insurance policies cover unfortunate circumstances such as Death, Total and Permanent Disabilities, with some providing specific protection against critical illnesses.

Term insurance provides similar coverage as whole life insurance but for a specific period of time, for example, 10, 15, 20 years or until age 60, 65 or 70.

#### Policy Functions

Whole life insurance has the protection and saving functions whereby it includes both non-guaranteed and guaranteed cash value. In the unfortunate event of death, the plan will pay out a lump sum. As the policy also accumulates cash value over time, the policyholder may access the cash value when needed for rainy dates. For term insurance plans, it does not have any cash value but it pays a lump sum when covered events happen during the policy term.

China Taiping SG provides some of the best whole life and term insurance plans for you and your family.

- [i-Secure Legacy](#) : The only whole life protection plan that provides you with a lifetime Guaranteed Benefit for Death and Critical Illnesses.
- [Infinite Harvest \(III\)](#) : Whole life legacy plan that provides you a lifetime of passive income for future generations or to supplement your lifestyle.
- [Infinite Legacy \(II\)](#) : A whole life plan which offers up to 3.5x immediate high coverage against Death and Terminal Illness.
- [i-Protect](#) : A term insurance for maximum protection with an affordable premium.

### Five Key Reasons Why Whole Life Insurance Is Best For Those With Stable Financial Resources

#### 1. Provides You Lifetime Coverage For Peace Of Mind

The key benefit of whole life insurance is ensuring adequate lifetime coverage. Term insurance plans cover only a specific period of time and your coverage ends when the policy term is over or when you stop contributing your premiums. In addition, it would also be more challenging to renew your term insurance plan if you, unfortunately, develop certain medical conditions before renewal.

#### 2. Accumulated Cash Value

The premiums you contribute for term insurance does not go back to your pocket. In contrast, whole life insurance plans accumulate cash value. The accumulated cash value depends on how long you hold on to the insurance plan with the effect of compounding interest.

The accumulated cash value can supplement your [retirement plans](#), allow you to live the lifestyle you like or even leave a legacy for your children and grandchildren.

#### 3. Premium Payment Options

Whole life insurance plans often offer options for premium payment terms to suit your financial needs. What it means is that you can pay premiums for a selected period and get protected for a lifetime.

A shorter premium payment term enables the policyholder to complete his/her premium commitment earlier, perhaps when one is still working and earning income.

For example, China Taiping SG's i-Secure Legacy allows policyholders to choose paying their premium over 5, 10, 15, 20, or 25 years. If you choose the 10 years option, you are paying your premiums over a 10-year period for lifetime coverage.

#### 4. Boosting Your Coverage With Multipliers

Some whole life insurance plans introduce multipliers to boost the coverage. China Taiping SG's i-Secure Legacy can secure you with up to 4x high coverage against Death, Terminal Illness and Total & Permanent Disability for life and up to 161 medical conditions – giving you the utmost assurance when you need it.

#### 5. Extension Of Coverage With Riders

You may add on rider(s) to your term or whole life insurance plans to enhance your protection against critical illnesses. However, as term insurance only covers a limited period only, the attached rider will be expired when the term insurance ends. For whole life plans, the riders can last for a lifetime as well, providing you with comprehensive protection benefits.

China Taiping SG also provides premium waiver riders that will waive any future premiums should the payer is diagnosed with a critical illness. This ensures the protection for the children (life insured) remains intact should a parent (payer) suffer a critical illness.

### Conclusion

It is necessary to weigh what is important to you and how you plan to spend your money when deciding between whole life and term insurance plans. While term insurance is definitely the cheaper option, keep in mind that it protects and covers you for only a set period. You can always renew the policy but do note that premiums increases as you age. Whole life insurance costs more but it also comes with many benefits over term.

Find out more about our [whole life insurance](#) or [term insurance](#) plans or speak to your preferred Financial Adviser Representative.