# MetLife<sup>®</sup>

# **Policy Types**



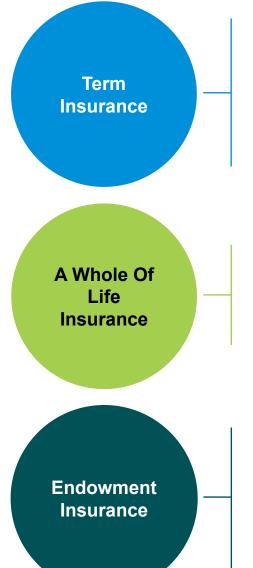
Life Insurance Objectives

#### What are the objectives of Life Insurance policy ?

- Protection: For those who die Too Soon !
- Long term savings: For those who live too long !







Pure Life Insurance.

- Has no Savings element.
- It pays the sum insured only on death of the policy holder if death occurs during the term of the contract.
- It has 2 Types:
- 1. Level Term, where the premium does not change.
- 2. Yearly Renewable Term, where the initial premium is small and increases as the policy holder gets older.

- A combination of Whole of Life Protection and Long Term Savings.
- It pays the sum insured or the cash value (which ever is Greater) on death, whenever it occurs.
- It pays the cash value whenever the policy ends.

A combination of Life Insurance Protection and Long term Savings, and the emphasis is on Savings.

- Endowment policies pay out either :
- ✓ The sum insured on Death during the policy term
- ✓ Maturity Value on a Pre-determined date + the sum insured



Common Insurance Definitions

#### Insurance:

Is a promise of compensation for specific potential future losses in exchange for a periodic payment (known as insurance premiums).

#### **Insurance Concept:**

A transaction involves the insured assuming a guaranteed and known relatively small loss in the form of payment to the insurer in exchange for the insurer's promise to compensate the insured in the case of a financial loss.

#### Insured:

Is the insured person or entity whose life or property is covered under insurance policy.

#### **Policy Owner:**

The person or entity buying the insurance policy (who owns a policy). This person may or may not be the Insured.

#### Beneficiary:

Is the person or group who receive insurance coverage once the covered risk happens.

#### **Risk:**

The likelihood that an insured event will occur.



Common Insurance Definitions

#### **Risk Management:**

The practice of appraising and controlling risk has evolved as a discrete field of study and practice.

#### Premium:

The amount of money to be charged for a certain amount of insurance coverage.

#### **Re-Insurer:**

Reinsurers handle risks that are too large for insurance companies to handle on their own and make it possible for insurers to obtain more business.

#### Policy term:

Is the duration of the insurance policy.

#### Account Value: The accumulated value in policy

#### **Face Amount:**

Is the sum paid on the policy's maturity date, on the death of the insured, or (if the policy terms permit) on his or her total disability.



# MetLife

Navigating life together