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# Life insurance 101

## Your free guide to understanding the importance of life insurance

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## 1) Introduction:

Life insurance is a contract between an insurer and an individual. The insurer agrees to pay a designated amount of money to a beneficiary upon the death of the individual. Life insurance provides financial protection to families and loved ones in the event of an untimely death. There are several types of life insurance policies to choose from, including term life insurance, whole life insurance, and universal life insurance. Additionally, health, non-medical, and critical illness insurance can also be added to a life insurance policy to provide further protection.



Protect your family



Ongoing living expenses

## 2) Why is Life Insurance Important?

Life insurance is essential for providing financial security to your loved ones. The payout from a life insurance policy can help your beneficiaries cover expenses such as funeral costs, outstanding debts, and ongoing living expenses. The funds from a life insurance policy can also help to provide for children's education or retirement savings. In the absence of a life insurance policy, your loved ones may be left with significant financial burdens that can cause additional stress during an already difficult time.

## 3) Why do I need it?

You need life insurance to provide financial security for your loved ones in the event of an untimely death. The payout from a life insurance policy can help your beneficiaries cover expenses such as funeral costs, outstanding debts, and ongoing living expenses. The funds from a life insurance policy can also help to provide for children's education or retirement savings. In the absence of a life insurance policy, your loved ones may be left with significant financial burdens that can cause additional stress during an already difficult time.

Additionally, life insurance can also be used to pay off a mortgage or provide funding for a business in the event of the owner's death. Life insurance provides peace of mind and helps to ensure that your loved ones are taken care of financially after you're gone.



Peace of mind for the whole family

#### 4) Types of life insurance policies

##### a) Term Insurance:

Term insurance is the simplest and most affordable type of life insurance. It provides coverage for a specific period, typically between 10 and 30 years. If the insured dies during the term of the policy, the death benefit is paid out to the beneficiaries tax-free. However, if the policy expires and the insured is still alive, there is no payout.



Term insurance is an excellent option for people who want to ensure their loved ones are taken care of in the event of their death, but don't want to pay for more expensive permanent life insurance. It's also a great option for those with temporary needs, such as paying off a mortgage or covering the cost of children's education.

##### b) Whole Life Insurance:

Whole life insurance, also known as permanent life insurance, provides coverage for the entirety of the insured's life, as long as the premiums are paid. Unlike term insurance, whole life insurance has a cash value component that grows over time, tax-deferred. The cash value can be used to borrow against or withdraw from, tax-free.

Whole life insurance is more expensive than term insurance because of the cash value component. However, it's an excellent option for those who want to leave a legacy for their loved ones or have permanent coverage needs.

##### c) Universal Life Insurance:

Universal life insurance is a type of permanent life insurance that allows for flexibility in premiums and death benefits. The policyholder can adjust the premiums and death benefits to meet their changing needs. Like whole life insurance, universal life insurance also has a cash value component that grows over time, tax deferred.

Universal life insurance is an excellent option for those who want permanent coverage with more flexibility than whole life insurance.



## 5) Health, Non-Medical & Critical Illness Insurance:

### a) Health Insurance:

Health insurance is a type of insurance that covers medical expenses incurred by the policyholder. Health insurance policies can cover a range of medical expenses, such as hospitalization, doctor visits, and prescription drugs. Health insurance policies can be purchased individually or through an employer-sponsored group plan.

### b) Non-Medical Insurance:

Non-medical insurance is a type of life insurance policy that does not require a medical exam. Non-medical insurance policies are typically more expensive than traditional life insurance policies because the insurer assumes a higher risk by not requiring a medical exam.

### c) Critical Illness Insurance:

Critical illness insurance is a type of insurance that provides a lump sum payment to the policyholder if they are diagnosed with a critical illness, such as cancer, heart attack, or stroke. The payout from a critical illness insurance policy can be used to cover medical expenses, pay off debts, or fund ongoing living expenses.

Bathurst Life Insurance's free guide is an excellent resource for anyone looking to understand the basics of life insurance policies. Whether you are a first-time policyholder or someone looking to update your existing policy, this guide will provide you with valuable insights and tips on how to select the right policy that meets your needs and budget. Additionally, if you require further assistance, Daniel Boucher offers a call-back appointment service that you can book by clicking the button below. During this appointment, you can discuss your specific needs and get personalized advice from a qualified professional, ensuring that you make an informed decision about your life insurance policy.



## Conclusion:

Life insurance is an essential component of any financial plan. It provides financial protection to your loved ones and ensures that they are taken care of in the event of an untimely death. There are several types of life insurance policies to choose from, including term life insurance, whole life insurance, and universal life insurance. Additionally, health, non-medical, and critical illness insurance can be added to a life insurance policy to provide further protection.

At Bathurst Life Insurance, we're here to serve you and answer all your questions and worries about life insurance. We hope to hear from you soon! Call 506-546-2186 or set up an appointment through our web site: [www.bathurstlifeinsurance.com/booknow.html](http://www.bathurstlifeinsurance.com/booknow.html)