THE FAMILY PROTECTION GUIDE

Protect Your Family

Written by Earnestine Clay

Protect Today. Empower Tomorrow.

SOMEONE ASKED ME:

Is term life insurance a waste of money if I outlive it?

No. And the reason it feels like a waste is the reason it works.

A term policy is a promise for a fixed number of years — usually ten, twenty, or thirty. If you die inside that window, the people you named receive the amount on the policy, tax-free, usually within weeks. If you outlive the window, the promise expires and you paid for something you never used.

That last sentence is where most people stop. Here is the part they skip: **you also pay for auto insurance every year you do not crash.** Nobody calls that a waste. Term life is the same idea, aimed at the years when someone depends on your income.

What the premium is actually buying

The price of a term policy is set by three things: how much coverage, how many years, and how healthy you are when you apply. A healthy thirty-five-year-old can often cover their family for the cost of a streaming subscription or two. The premium is locked for the whole term — it does not rise as you age inside it.

What you are buying is the specific years when a loss would be catastrophic. The years with a mortgage, with children at home, with a partner who would have to replace your income. Term is designed to end when that risk ends.

What happens at the end

Three things can happen when the term runs out:

1. **It expires.** You no longer need it, and you stop paying. This is the good outcome. It means you got to the other side.
2. **It renews year to year at a much higher price.** Most policies allow this. Almost nobody should do it for long.
3. **You convert it.** Many term policies let you convert to a permanent policy without a new medical exam. This matters if your health changed during the term.

Ask about the third one before you sign. It is the option that quietly makes a term policy more valuable than its price.

When whole life is the better answer

Whole life costs many times more for the same death benefit, because part of the premium builds a cash value you can borrow against. For most families building a foundation, that trade is the wrong one — the same money in term coverage plus a retirement account usually does more.

Whole life earns its cost in narrower cases: a lifelong dependent, an estate that needs liquidity to pay taxes, a business buy-sell agreement, or someone who has genuinely tried and failed to save any other way. If none of those describe you, be suspicious of anyone leading with it.

> *The tradeoff, out loud: term is cheap protection that ends. Whole life is expensive protection that does not. Which you need depends on whether your risk ends — and for most families, it does.*

The one thing to do this week

Find out whether anyone depends on your income. If the answer is yes and you have no coverage, the cost of finding out what a term policy would run you is fifteen minutes. There is nothing to buy on that call.

START HERE

Start with fifteen minutes.

Tell me what brought you here and I will call you back personally. If it turns out you already have what you need, I will tell you that too — and you will have lost a quarter of an hour. Nothing to sign, nothing to buy on the first call.

972-841-8024

EARNESTINE CLAY FINANCIAL SERVICES · DALLAS–FORT WORTH, TEXAS · INDEPENDENT, MULTI-CARRIER · LICENSED IN INSURANCE AND SECURITIES · NOTARY PUBLIC