

# Chapter 35 Life and Health Insurance

## Section 35.1 Life Insurance

### Section Summary with Key Terms and Academic Vocabulary

**Life Insurance** Just as vehicle insurance and property insurance protect against losses to property, life insurance and health insurance protect people. Life insurance provides protection for a policyholder and survivors. Cash-value insurance provides both protection and savings. A policyholder can borrow the cash value of a policy, if needed, and will pay interest on the loan against the policy. With whole life insurance, a premium that stays the same is paid throughout the policyholder's lifetime. Term insurance provides protection but does not build cash value. Since it does not build savings, term insurance is less expensive than cash-value insurance.

#### Key Terms \_\_\_\_\_

**life insurance** Insurance that is paid to a person or people designated to receive the funds when the insured person dies

**proceeds** The face value of a life insurance policy

**beneficiary** Someone who receives all or part of the proceeds of an insurance policy, or a survivor of a deceased policyholder

**cash-value insurance** Insurance that provides both savings and death benefits; also called permanent insurance

**term insurance** Insurance that covers a person for a specific period of time

#### Academic Vocabulary \_\_\_\_\_

**estate** The assets and liabilities left by a person at death

**purpose** The goal or intended outcome of something

**survivor** One who remains alive

**feature** A prominent part or characteristic