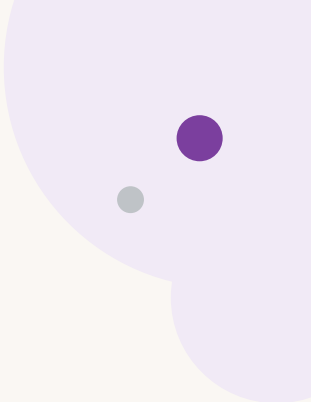




A GUIDE FOR REAL LIFE

Life Insurance Without the Jargon

A friendly guide to what it is, how it works, and how to choose protection that fits your real life

Let's take the mystery out of life insurance. You do not need to know every insurance term before you begin. You only need to know who and what you want to protect. From there, we can make the pieces make sense - one clear step at a time.

Clarity comes before the policy. The policy should serve the plan.

Prepared with care by

Tamara R. Waller

Founder and Financial Advisor, The Waller Collective

PLAIN TALK | REAL LIFE | NO PRESSURE

First things first - what do you need the policy to do

Before we talk about policy names, picture your household after a major loss. Which bills would keep coming? Who would need time, care, or financial support? That real-life picture is where the conversation begins.

Life insurance can help with things like

- Replacing income while children, a spouse, a partner, or another loved one still depends on it.
- Keeping the mortgage or rent paid and clearing debts or final expenses.
- Paying for childcare, household help, caregiving, education, or special-needs support.
- Helping a business keep going or complete a buy-sell plan.
- Creating money for an estate plan, inheritance, or charitable legacy.

So how much might you need

There is no magic number that fits every family. A quick income multiple may start the conversation, but a needs-based calculation gives you a clearer picture. We add what your family would need, subtract dependable resources already available, and separate short-term responsibilities from lifelong ones.

Include	Examples
Immediate needs	Final expenses, medical bills, legal and administrative costs
Income needs	Household income gap multiplied by the years support may be needed
Major obligations	Mortgage, rent reserve, consumer debt, education, caregiving
Existing resources	Savings, existing personal coverage, dependable survivor income
Do not assume	Employer coverage will remain after a job change or fully meet the need

The main types of life insurance

Type	How it generally works	Often considered when
Term life	Coverage for a stated term. It generally does not build cash value. Level term may hold the premium and death benefit level for the selected period.	The need is time-limited or the priority is a larger death benefit at a lower initial cost.
Whole life	Permanent coverage with fixed guarantees when required premiums are paid. It may build guaranteed cash value; participating policies may pay nonguaranteed dividends.	Lifetime coverage, predictability, or guaranteed values are priorities.
Universal life	Permanent coverage with flexible elements. Policy charges are deducted from policy value, so funding and performance must be monitored.	Flexible premiums or death benefits are useful and the owner understands ongoing policy management.
Indexed universal life	A type of universal life whose credited interest may be linked to an external index subject to caps, participation rates, spreads, floors, charges, and policy terms. It is not direct market investment.	Permanent protection and cash-value potential are sought, with an understanding that illustrated nonguaranteed values can change.
Variable life or VUL	Cash value is allocated among investment options and can rise or fall. Securities registration and additional risk disclosures apply.	The owner can accept investment risk, expenses, and active monitoring for long-term objectives.

Permanent does not mean maintenance-free

A permanent policy can lapse if required premiums are not paid or if policy value is insufficient to cover charges. Flexible-premium policies need periodic reviews, especially after loans, withdrawals, lower-than-illustrated crediting, or changes in charges.

Understand the moving parts

Premium

The amount paid to keep coverage in force. Ask whether it is guaranteed, scheduled, flexible, or expected to change.

Death benefit

The amount payable to the beneficiary after an approved claim, subject to the contract. Death benefits are generally income-tax-free to beneficiaries under current federal law, but exceptions and estate-tax considerations can apply.

Cash value

A feature of certain permanent policies. Cash value is not the same as the death benefit. Access through loans or withdrawals can reduce values and benefits, create tax consequences, or increase lapse risk. Outstanding loans plus interest reduce the amount paid at death.

Riders

Optional or included contract features may address waiver of premium, child coverage, conversion, guaranteed insurability, terminal illness, chronic illness, or accidental death. Definitions, charges, triggers, and availability vary.

Beneficiaries and ownership

The owner controls the policy and beneficiary designations unless a designation is irrevocable. Review primary and contingent beneficiaries after births, deaths, marriage, divorce, business changes, or estate-plan updates. Avoid naming a minor directly without legal guidance about how funds would be managed.

Application, underwriting, and issue

1. Application. You provide identity, financial, lifestyle, and health information and authorize appropriate verification.
2. Underwriting. The carrier evaluates risk. The process may use health records, prescription history, motor vehicle reports, interviews, exams, or laboratory work.
3. Offer. The approved class, premium, benefit, exclusions, or rider availability may differ from an initial estimate.
4. Delivery and review. Read the contract and any illustration. Use the free-look period stated in the policy and state law to review and return it if appropriate.
5. Ongoing service. Pay on time, keep contact information current, review beneficiaries, and schedule policy reviews.

Be complete and truthful

Material misstatements can affect coverage or a claim. During the contestability period, the carrier may investigate application statements. Suicide exclusions commonly apply for a limited period and vary by state and contract.

Replacement deserves extra care

Do not cancel existing coverage until new coverage is issued, accepted, paid for, and confirmed in force. A replacement may restart contestability and suicide periods, create new surrender charges, require new underwriting, or sacrifice guarantees and accumulated value.

Your free-look period - permission to slow down and read

Receiving a policy does not mean you have lost the right to ask questions. A free-look period gives you a limited amount of time after delivery or receipt to read the contract and decide whether it matches what you expected.

Use this time to check the important pieces

- The insured, owner, premium payer, primary beneficiary, and contingent beneficiary are correct.
- The death benefit, premium, policy type, riders, and any exclusions match the issued offer.
- Guaranteed values are clearly separated from illustrated or nonguaranteed values.
- Premium schedules, policy charges, surrender periods, loan terms, and lapse risks are understood.
- The policy illustration and contract reflect the purpose you discussed.

If something does not make sense

Ask for a plain-language explanation before the free-look period ends. If the policy is not right for you, follow the contract's return instructions promptly and keep proof of when and how it was returned. Premiums are generally refunded according to the policy and applicable state requirements when a policy is properly returned during the free-look period.

Circle the deadline as soon as the policy arrives

The length of the free-look period, the date it begins, the return method, and the refund rules can vary by state, product, replacement status, and contract. Do not rely on a general number of days. Read the policy's exact notice and instructions immediately.

Replacing an existing policy

Keep the existing coverage in force while you review the new policy. Do not cancel the old policy until the new coverage has been issued, reviewed, accepted, paid for, and confirmed in force. Once the new policy is active, coordinate the replacement carefully so your family is not left with an unintended gap.

Questions worth asking before you buy

- What exact need does this policy solve, and for how long?
- Which values and premiums are guaranteed, and which are illustrated or nonguaranteed?
- What happens if I pay less than planned, skip a premium, or the policy earns less than illustrated?
- What charges, surrender periods, loan terms, caps, participation rates, or spreads apply?
- Can term coverage be renewed or converted, by what age, and without new evidence of insurability?
- What riders are included, optional, or unavailable in my state?
- How will a loan or withdrawal affect the death benefit, cash value, lapse risk, and taxes?
- What would cause the policy to terminate, and what notices or grace periods apply?
- How strong is the insurer financially, and what consumer protections apply in my state?

Your annual policy review

Review	Confirm
Purpose	The original need still exists and the amount is still appropriate
People	Owner, insured, primary beneficiary, and contingent beneficiary are current
Performance	Current values, guarantees, charges, loans, and projected duration
Affordability	Premium fits the household and is being paid as intended
Coordination	Policy aligns with the will, trust, business plan, and other coverage

Protect what matters with a policy you understand

A good decision is not the policy with the most features. It is the coverage that fits the need, can be maintained, and is reviewed as life changes.

Begin your protection conversation

[Book your Complimentary Clarity Call](#)

tamara@thewallercollective.org | 404.992.3058

A clarity-first conversation with no pressure and no obligation.

Educational notice

This guide provides general educational information and is not legal, tax, medical, benefits, investment, or individualized insurance advice. Policy availability, definitions, benefits, exclusions, costs, riders, renewability, and underwriting requirements vary by state, carrier, and contract. Review the actual policy, outline of coverage, illustration when applicable, and carrier disclosures before making a decision. The Waller Collective does not provide legal or tax advice.

Selected official resources

[NAIC Life Insurance overview](#)

[NAIC Life Insurance Buyer's Guide](#)

[IRS Life Insurance and Disability Proceeds](#)