

## POLICY BASIC DETAILS

<b>Policy ID</b>	: COM-POL-00005	<b>Policy Name</b>	: Whole Life Policy
<b>Policy Type</b>	: Whole Life Policy	<b>Date and Time of Incident</b>	: 13-02-2001
<b>Created By</b>	: admin	<b>Policy File</b>	: <a href="#">pol2.pdf</a>
<b>Description</b>	: Whole life provides a death benefit and an accumulating cash value. By definition, it has a fixed premium and a level death benefit to age 100. The		

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**Where do whole life premiums go**

The insurance company essentially makes all of the decisions regarding how and where money in a whole life policy is invested. Regular premiums both pay insurance costs and cause equity to accrue in a savings account. That cash value is invested in fairly conservative investments (depending on the company) and usually is heavily invested in the bond market. The cash surrender value is an amount of money that you are guaranteed to receive in the event of policy cancellation. You also have the right to borrow against the cash value on a loan basis (tax free income).

Also, be aware that premiums are due in your whole life policy every single year. If you cannot come up with the premium one year or several, the policy will pay the insurance expenses internally from built up cash value (if any). However, eventually the policy will surrender itself if you do not request a lowering of the death benefit (which not every company is willing to do) or if the policy runs out of cash to pay premiums internally.