

Should You Buy Life Insurance For Your Child?

Life insurance for a child may sound like a strange concept, and one that is even disturbing to many people. But the purpose of taking out a life insurance policy on a child is not a morbid expectation of an early passing. There are some very good reasons why taking out a life insurance policy for your child early in life is a good idea.

The Premiums Stay Low

When your child is young and healthy they will qualify for the best possible life insurance rates, and if you take out a Universal life policy those premiums won't change as the child ages. Once the child reaches the age of majority, they can take over paying the premiums and continue to have the policy available as they grow older, with no increase in premiums. Even if they develop health problems later in life that might prevent them from qualifying for a life insurance policy, the existing one can't be taken away. Your child will have a life insurance policy that is good for a lifetime no matter what happens.

Cash Starts Accumulating

The sooner you start the policy, the sooner cash will start accumulate in the account. This can serve as a savings account that your child can contribute to as they grow older, or that they can draw on whenever it might be needed. By the time your child reaches the age of 18, a cash accumulation account started at birth can contain a sizeable amount of money.

If The Worst Should Happen

No parent wants to think about it, but if a tragedy should occur, a life insurance policy can offer you the time that you need away from work to deal with the emotional and mental wellbeing of yourself and your family. While this isn't the main reason to take out a life insurance policy for your child, in the event of the worst case scenario, you will be grateful for the extra help.

If you are considering a life insurance policy for your child, don't be dissuaded by the feeling that it is morbid or frightening to think about. The main reasons for taking out the policy are not morbid, they are simply smart planning and thinking ahead for your child's future.