

# Newsletter 2021



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## CICL CONNECTIONS

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*The official newsletter of Corp-EFF Insurance Company Ltd*

# Do you know the Difference between Life Insurance and Personal Accident Insurance?

## Life Insurance



Providing protection and mitigating your risk is the simple motive of insurance.

Many people who consider insurance as an option, do not know the differences between Life Insurance and Personal Accident Insurance before purchasing the right coverage package. Learning the difference between types of insurance, is critical when considering insurance coverage for yourself and family.

In this article, we will focus on the most basic differences between the two types of insurance to guide you in your coverage journey.

**Life Insurance** is probably the easiest-to-understand form of insurance. It pays out upon either death or total and permanent disability. But there are variations, such as whole life and Term insurance.

**Term life insurance** is the most straightforward. It only lasts for a set amount of time, usually 20 to 30 years. Premiums are low and the policy itself does not accumulate any cash value.

**Whole life insurance** is a little more complex. It lasts your entire life, but there is often an endowment or investment portion to the policy. This means the policy does accumulate value, but premiums are also higher.

**Personal Accident Insurance** is a specific type of insurance designed to provide compensation if a person experiences death, permanent disability, or temporary disability as well as reimbursing medical care and/or medical costs that are directly caused by an accident.

### What's the Difference?

	Life Insurance	Personal Accident Insurance
Death guarantee	Guarantees all causes of death (natural, sick, or accidental)	Just guarantee death by accident
Other compensation	Only death compensation	There is compensation for disability and medical treatment due to accidents
Underwriting determinants of premiums	Age level	Types of job risks
Value of compensation for death	Maximum 100% of sum insured	Can reach 200% of the sum insured
Waiting period for a claim	There is a waiting period for pre-existing conditions.	There's no waiting period



## ***Do you know the Difference between Life Insurance and Personal Accident Insurance?***

If you are interested in purchasing, experts suggest that Life Insurance should be your first priority, as having a life and financial protection for yourself and loved ones around you is very important.

Personal Accident Insurance can be considered as additional coverage if you deem it necessary based on a high risk job that may predispose you to a disability or medical care cost arising from an accident.

Life is very uncertain and has a way of throwing surprises at you when you least expect it. In order to be fully prepared to deal with the contingencies in life, insurance is very essential. Making that small investment in any insurance plan, will enable you to be tension-free and offer security in advance.

Safeguard your family and their financial needs, in case of your unfortunate and untimely demise.

Ask your Credit Union about Corp-EFF Insurance suite of products today.



***“We Take Away the Risk,  
You are Insured”***