

Life Insurance

Life insurance – sometimes called “assurance”, because death is a certainty, not a risk – is a contract that protects the financial futures of those who depend upon an individual when that person dies or, in some cases, receives a terminal diagnosis or is permanently disabled. The insurer undertakes to pay compensation to a beneficiary in exchange for premiums that were paid before the person’s death. Modern life insurance is similar to the asset management industry, in that insurers make money and pay administrative costs from investing the premiums rather than keeping them, since everyone dies and almost every policy will have to be paid – although the terms of some policies exclude suicide, war, terrorism, and some hazards, like skydiving.

www.englishtreasure.asia

Life insurance is thousands of years old; in Ancient Rome, “burial clubs” would pay for members’ funeral expenses and support their survivors, but the first company to offer life insurance was in London in 1706. Each member made an annual payment, and, at the end of the year, a portion of that payment was distributed among the widows and children of deceased members. This “Amicable Society” started with 2,000 members.

youtube.com/EnglishTreasure

What is another name for life insurance?

www.englishtreasure.asia

What is the main difference between life insurance and other forms of insurance?

youtube.com/EnglishTreasure

When might a life insurance company not pay money after the insured person dies?