

# Helpsheet

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## Whole of Life – Life Assurance

**As the name suggests, whole of life - life assurance is designed to provide funds on death whenever that may be, as opposed to term life assurance which provides protection for a pre-determined period of time.**

This type of policy tends to be expensive, although it is possible to structure cover so that the premiums are initially low.

Typically, premiums are set for the first ten years of a policy at low levels and then subject to review at five yearly intervals thereafter. It is at these five year policy reviews that the cost of the policy will be reviewed and is likely to increase as the policyholder gets older.

The most common use for a whole of life assurance policy is to provide funds to pay inheritance tax.

Great care should be taken however, when such policies are established so as to ensure that the policy proceeds themselves are not liable for inheritance tax.

This can easily be achieved by using a simple trust and also provides for the policy proceeds being paid without have to wait for probate on the deceased's estate to be granted before payment is made.

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