



# FOR INFANTS, CHILDREN AND GRANDCHILDREN

Parenthood – it changes your life and it changes your perspective. Growing a family is a wonderful experience filled with love, joy, and often times, a little worry for your child’s wellbeing and future. Planning now can help ease concerns so you can enjoy day-to-day living.

Life insurance can be important for both adults and young people. Many parents and grandparents purchase coverage for children to help support future financial needs or supplement education funding.

## Why Purchase Life Insurance for Children?

1. Guaranteed insurability even if the child’s health changes later in life.
2. Lock in lower rates for a lifetime.<sup>1</sup> The younger the person, generally the less expensive the insurance.
3. Build cash value<sup>2</sup> to help pay for unexpected expenses or educational needs.
4. Guaranteed death benefit<sup>3</sup> if the unexpected were to happen.

## Why Incorporate Life Insurance Into a College Funding Strategy?

1. Cash value accumulation builds generally income tax-deferred and can be accessed generally income tax-free.<sup>4</sup>
2. It may provide protection from market downturns unlike some college savings plans.
3. Owning a life insurance policy will not be counted when applying for federal financial aid (FAFSA).
4. Flexibility – A policy’s cash value can be used for anything—education or other expenses if your loved one’s college intentions change.

## Options

Farmers® offers two types of permanent life insurance – Whole Life and Universal Life. Indexed Universal Life Insurance offers growth potential tied to a market index and can help safeguard from loss when the market declines. Juvenile policies can be issued from 15 days through 17 years old. Minimum face amounts start at \$25,000 or \$50,000 depending on the product.

## Why Farmers?

With Farmers, you can conveniently manage all of your insurance in one place with one agent. Your Farmers agent can help you identify coverage that best fits your situation.

The sooner you buy life insurance for a child or grandchild, the longer the policy has to build cash value for future expenses.



Life insurance issued by Farmers New World Life Insurance Company, 3120 139th Ave. SE, Ste. 300, Bellevue, WA 98005. Products and features may not be available in all states and may vary by state. Restrictions, exclusions, limits and conditions apply.

Any product guarantees are subject to the financial strength and claims-paying ability of Farmers New World Life Insurance Company, which is solely responsible for the obligations under its own policies. Farmers New World Life Insurance Company is not licensed and does not solicit or sell in the state of New York.

<sup>1</sup>Lifetime coverage (or life of the policy) is guaranteed as long as all premiums are paid to keep the policy in force.

<sup>2</sup>Cash values may be accessible through policy loans. Policy loans that are not repaid and partial surrenders will reduce cash surrender value and death benefit. Policy loans are subject to interest charges. If your policy is a modified endowment contract, loans and surrenders may incur taxes and penalties.

<sup>3</sup>The death benefit is guaranteed according to the terms of the contract and provided that premiums are paid.

<sup>4</sup>Distributions from a life insurance policy in the character of partial or full surrenders up to basis or policy loans will generally be income tax-free, provided the policy does not violate Modified Endowment Contract (MEC) guidelines and the policy is not terminated during the lifetime of the insured. MEC guidelines are rules in the Internal Revenue Code which specify maximum premiums that can be paid without triggering adverse tax consequences for surrenders. A policy termination during the life of the insured can cause the owner a single taxable event for any gains in the policy that were borrowed or withdrawn on or before the termination date.

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