

Vinosa Portfolio Endowment Plans

- Endowment life insurance is a specialized insurance product that's often dressed up as a college savings plan. The endowment life insurance policy promises a risk-free, guaranteed return on a guaranteed date as long as you make the fixed monthly payments. What's more, the cash value isn't counted against your child's financial aid eligibility.¹ Could this be the college savings plan you've been looking for?
- Let's look at whether the stated advantages of these policies live up to their promises.
- Basically these policies couple term life insurance with a savings program. As the policyholder, you choose how much you want to save each month and when you want the policy to mature. Based on your monthly contributions, you're guaranteed a certain payout, called an endowment when the policy matures. You can then use this endowment for your child's college tuition, fees, books, living expenses, and other costs. If you should die before the policy matures, your child will receive the payout as your death benefit and will still have the anticipated money for college.
- **KEY TAKEAWAYS**
- Endowment life insurance policies, by coupling term life insurance with a savings program, offer a lump sum payment at maturity.
- They're sometimes marketed as college savings plans—consumers must read the fine print before deciding if this is how they want to save for their children's education.
- Other college savings options like prepaid tuition and 529 plans may offer benefits not available with endowment life insurance.