

Surrender Value

Both Whole of Life and Endowment Assurance policies are designed to pay out a benefit at some point in the future.

Therefore, some of the premium needs to be set aside and invested so the insurance company has sufficient funds to make the eventual payment.

If you decide to terminate your contract early by surrendering it, the insurance company will pay out a portion of these monies.

Policies do not usually have a surrender value in their early years as the insurance company needs to recuperate the expenses of setting up the contract.