

## **Endowment Assurance**

This is a policy where you pay a fixed premium each year and the insurance company pays out the Sum Insured at the end of the pre-determined period or earlier death.

Often these policies ran for a fixed number of years like 10 or 12 years or to prescribed age like 60 or 65.

The date they are paid out is referred to as the maturity date.

It was not uncommon to buy a series of policies so that one matured each year from the planned retirement age for say 5 or 10 years.

You may have the option to pay the annual premium in installments and these will carry a small loading to cover the additional administration cost and to compensate for the lost investment earnings.

Premiums would be paid throughout the life of the policy.