

# Lotto vs life insurance

**Q**uestion: You know, these life insurance agents keep on threatening me that I could lose everything if I am not insured. Then they promise millions of life insurance coverage if I die early. But if I do die early, and note the big "if," I will not be able to enjoy the millions that they promise. And that foregone benefit is after I pay these life insurance companies' thousands of pesos in premiums. On the other hand, for a few pesos, the potential winnings at the lotto currently range from a low of P6 million to a high of P485 million. Don't you think it is foolish then to buy something, the fruits of which you will never enjoy?—asked at "Ask a friend, ask Efren" free service available at [www.personalfinance.ph](http://www.personalfinance.ph), Facebook and SMS.

**Answer:** From the looks of it, you seem to be referring to bare bones life insurance. So, I will focus my answer on such a product.

To most people, they will be willing to offer the best gift pos-



## MONEY MATTERS

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sible to the person they love the most. In fact, some will even pay the ultimate price, that of their own life. No less than the Bible says, "No one has greater love than this, to lay down one's life for one's friends."—John 15:13

Nothing on this earth is as precious as life. It therefore follows that if people will be giving their life for those they love, they will all the more be willing to give things of lesser value to their loved ones. Life insurance is one of those less precious than life gifts that one can give to his loved ones.

Sure, you will not enjoy the benefits of the life insurance

ayout; but people you care about will. You are actually allowing them to continue living normally even without the financial support you are able to afford them when you are alive and kicking.

As to cost-benefit analysis, lotto does give the potential of hundreds of millions of Pesos in earnings while life insurance gives the average Juan dela Cruz an affordable tens of millions in coverage.

But it is in the possibility of claiming the prize where life insurance beats lotto hands down. With lotto, the chances of winning range from one in 5 million for the 6/42 game to 1 in 40 million for the 6/58 game; that is if no one else but you wins the game. With life insurance, the chance of claiming the coverage for your loved ones is 100 percent because, to paraphrase Senator John McCain, no one gets out of this world alive.

What is also interesting is that with investing, as with lotto, you bet on something in the hopes of getting a return. With

life insurance, it is the life insurance that bets on you not leaving this life early. Now, isn't that also what you want to happen? And yet, they will pay your beneficiaries just in case you do leave life early.

True (and everlasting) life begins at the end of life here on earth. But to attain that true life, you will need to demonstrate how well you spent your life here on earth for others. Life insurance helps you in demonstrating just that. **INQ**



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