

General vs. Separate Account

General Account

Assets represent general assets of the company.

Subject to claims of insurance company's creditors

Invested in conservative investments (bonds, mortgages)

If it does not say "variable", money goes in this account

Separate Account

Separate from the company's general assets

Maintained for the purpose of letting policy owners choose investments

Not subject to company's creditors (even if ins. company goes broke, money still there)

Anything that says "variable" will go in this account