

# Term Life Insurance

Questions to get you thinking about affordability



## How much coverage will I need now and in the future?

Term insurance is often a good choice for people in their family-formation years, especially if they're on a tight budget, because it allows them to buy high levels of coverage when the need for protection is often greatest.

Term insurance is designed to meet temporary needs. It provides protection for a specific period of time and generally pays a benefit only if you die during the term.

This type of insurance is often bought to cover funeral expenses, mortgage or debt payoff, college education costs and income replacement. It makes most sense when you have a need for coverage that will disappear at a specific point in time.

For instance, if paying for college is a major financial concern but you're pretty sure that you won't need life insurance coverage after the kids graduate, then it might make sense to buy a term policy that will get you through the college years.



## How does term insurance fit my needs and my budget?

One of the biggest advantages of term insurance is its affordability. With term insurance, you're generally just paying for the death benefit, the lump sum payment your beneficiaries will receive if you die while the policy is in force.



## What options are available to me with term coverage and what are the benefits?

As the name implies, term insurance provides protection for a specific period of time with various rate guarantees.



## How long do I want to lock in guaranteed premiums?

When considering a life insurance purchase, one thing to keep in mind is that not all policies are the same. Some may include certain provisions as standard features, while others may require you to pay extra to add these features as "riders" to your policy. So, remember that price is not the only factor to consider.

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## TERM LIFE INSURANCE OPTIONS AND BENEFITS

### Disability Waiver of Premium

Waives premiums when a policy owner suffers a long-term disability, typically one lasting six months or longer.

### Accelerated Death Benefit

Lets you take part of your death benefit before you die in the event of a qualifying terminal illness. It's treated as a lien against the policy.

### Conversion Contracts

Another provision that is very important when considering term insurance is something called convertibility. Some insurance contracts only allow "conversion" in the first few years of the policy, while others allow it at any point during the term period.

This feature allows you to convert your term policy to a permanent policy (e.g., universal life insurance) without submitting evidence of insurability. Being able to convert to a permanent policy is a great option to have in the event that circumstances in your life change.

For example if your health is failing or maybe just the realization that coverage is needed for a longer period of time than you originally anticipated. When purchasing a term policy, it's a good idea to find out what type of permanent policies are offered by the company you are considering.

