

Term Life Insurance

- Term life insurance is “pure insurance”
- It provides a death benefit only
- There are no living benefits
- You are covered for the specified term. Usually 10, 15, 20 or 30 years
- Some term policies are renewable. This means you can renew the policy yearly at much higher premium rates.
- Some term policies can be converted to whole life or permanent insurance with a much lower death benefit.
- Some term policies have riders such as accidental death benefits or return of premiums.

Term life insurance policies premiums are usually very low, relative to other insurance premiums, and the death benefits are usually written for large amounts.

The premiums are usually low because the term usually ends before the insured dies and the companies do not have to pay the death benefit.

Term policies are used for many purposes such as:

- Mortgage insurance
- Buy sell agreements
- To cover college tuitions
- Income replacement
- Key person business insurance