

Term Life Insurance...The Basics

Term life insurance provides a death benefit only. It does not build cash value.

Three Types of Term Insurance

Annual Renewable Term

Death benefit remains level. Premium increases annually since there is an increased likelihood of death.

Level Term

Both the death benefit and the premiums remain level for a predefined period of time; usually, five, ten, fifteen or twenty years.

Decreasing Term

The death benefit decreases each year even though the premiums remain level. This type of term is often used to cover a mortgage or other loan with a decreasing balance.

Characteristics of Term Insurance

- Low cost in the beginning
- Premiums increase over time
- Can help to meet specific short-term needs
- Has no cash value
- Lasts a specific period of time... no more; no less.