

## Why Term Life Insurance?

### What is it?

Term insurance is generally the least expensive and least complicated type of life insurance. It provides insurance protection for a specified period of time, such as 1, 10 or 20 years. If you die within the term period and the policy is in force, a death benefit is paid to your beneficiary. If you are still living at the end of the term, protection ceases unless the policy is renewed. There is no "accumulation" element, or cash value with term insurance.

### Who's it for?

- \* People with a temporary need for life insurance protection.
- \* Those who need a large amount of insurance protection but have limited budgets.
- \* People with specific business needs (e.g., business owners who want to cover the life of a key employee who has a set number of years until retirement).

### Benefits:

- \* It provides insurance protection for a low cost (at least initially).
- \* If your needs change, most term policies allow you to convert to a permanent life insurance policy without having to take a medical exam or provide other information about your health.
- \* Term insurance is a good way to supplement other coverage when you have added financial responsibilities for a given period of time (e.g., mortgage, college expenses).
- \* Death benefits are generally received free from income tax.

### Things You Should Consider:

- \* Premiums generally increase with age and they could become unaffordable later in life.
- \* There is no cash-value element, so you miss the tax-deferred growth of the cash value of permanent life insurance policies, such as Whole Life Insurance.
- \* Once the term period expires, unless you renew your policy, the insurance coverage ceases and the policy has no further value.