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TERM LIFE INSURANCE



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Term insurance is a life insurance policy that provides coverage for a specified period, ending when the term expires.

What is Term Insurance?

Term insurance is life insurance that provides coverage for a specific period (e.g., 10, 15, or 20 years). It offers a death benefit but does not build cash value.

Key Features:

- **Affordable:** Lower cost compared to permanent insurance initially, but premiums can rise significantly as you age.
- **Renewable:** Many policies allow renewal without proof of health, even if health conditions change.
- **Increasing Premiums:** Renewal premiums rise with age, starting small at younger ages but increasing steeply over time.

Level Premium Option:

Some term policies offer level premiums, keeping costs steady for a set term (e.g., 10 or 20 years). While higher than renewable policies at the start, they avoid sharp increases during the term.

Types of Term Insurance Protection

Level Term Insurance:

Provides a consistent amount of coverage throughout the policy term, ensuring steady protection.

Decreasing Term Insurance:

- Gradually reduces the coverage amount over time, making it ideal for shrinking financial obligations like a home mortgage.

Increasing Term Insurance:

- Offers rising coverage during the policy term, either by a fixed percentage or amount, to help keep up with inflation and growing financial needs.



Combination Policies

Blending Permanent and Term Insurance:

A combination policy allows individuals to mix permanent and term coverage, offering a smaller amount of permanent insurance supplemented by term insurance for greater affordability.

Cost-Effective Protection:

This approach provides more coverage at a lower cost than purchasing the same amount of permanent insurance alone.

Term Insurance Rider:

The term portion is often added as a rider to the permanent policy, enhancing flexibility and coverage.

Conversion Feature

From Term to Permanent:

Many term policies include a conversion option, enabling the policyholder to switch to permanent insurance without health proof.

Lifetime Coverage:

Conversion extends coverage for life, locks in level premiums, and adds a cash value component to the policy.

Age-Based Premiums:

The cost of conversion is based on the policyholder's age at the time of conversion.

Term Life Insurance Overview

What Is Term Insurance?

Term insurance provides life insurance coverage for a specific period, offering a death benefit without building cash value. It's often referred to as "pure" insurance due to its focus on protection rather than savings.



How It Works:

Term insurance allows clients to choose a coverage period that fits their needs, such as 10, 15, or 20 years. At the end of the term, policies can often be renewed up to a maximum age without requiring proof of health, although premiums typically increase with age.

Initially, term insurance premiums are generally more affordable than those for permanent insurance, making it an accessible option. However, it's important to note that these premiums rise sharply over time, particularly during renewals, emphasizing the need for careful planning.

Options for Managing Costs:

Level premium term policies keep premiums constant for the term, avoiding the steep increases seen with renewable term policies.

Types of Term Insurance

- Level Term: Fixed coverage and premiums for the chosen term.
- Decreasing Term: Coverage decreases over time, ideal for shrinking financial obligations like a mortgage.
- Increasing Term: Coverage increases over time, often used to keep up with inflation.

Advantages of Term Insurance

- Affordable initial premiums make it accessible for young professionals and families.
- Policies often include a conversion option, allowing the transition to permanent coverage without proof of insurability.
- Combination policies pair permanent insurance with term coverage, providing substantial protection at a lower cost.

Considerations

- Term policies don't build cash value, unlike permanent insurance.
- Premiums rise with each renewal and can become costly as the insured ages.

Why Choose Term Insurance?

The Benefits

Term insurance is a powerful tool to help your clients secure the financial protection they need at an affordable cost. Designed for specific time periods, it's an ideal solution for young professionals just starting their careers, families with growing children, or anyone seeking cost-effective coverage for critical stages of life. By educating your clients about the benefits of term insurance, you can empower them to make informed decisions about their future, ensuring they're prepared for life's uncertainties. At NFI Solutions, we're here to support you every step of the way with the information, tools, and resources you need to effectively communicate the value of term insurance. Don't miss the opportunity to guide your clients toward financial security—contact NFI Solutions today and let's make a difference together!

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