



# Understanding Term Life Insurance vs. Permanent Life Insurance

## OVERVIEW OF LIFE INSURANCE TYPES

Life insurance is designed to help protect the people and things you care about most. The two main options — term life insurance and permanent life insurance — serve distinct purposes, depending on your goals, budget, and the length of coverage you need.

### Key Features Comparison

Feature	Term Life Insurance	Permanent Life Insurance
Coverage Length	Specific time period (e.g., 10, 20, or 30 years)	Lifetime coverage
Primary Purpose	Temporary protection	Lifelong protection and planning
Cost	Lower initial cost	Higher cost, but predictable premiums
Cash Value	No cash value	Builds cash value over time
Flexibility	Simple and straightforward	Can support savings, legacy, or estate goals
Best For	Income replacement, mortgage protection, growing families	Long-term objectives, wealth transfer, lifelong coverage

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Guarantees are dependent upon the claims-paying ability of the issuing company.

## Choosing the Right Policy for Your Needs

Many individuals use term insurance to address immediate needs, such as income replacement or mortgage protection, while permanent insurance is often chosen for long-term objectives, including wealth transfer or lifelong coverage. The ideal solution depends on your personal situation and objectives.

When deciding which policy is best for you, it is important to first determine the appropriate amount of coverage, followed by selecting the type that aligns with your goals. In some cases, a combination of term and permanent life insurance may provide the most comprehensive protection based on your needs.

## Additional Considerations

Optional riders can enhance your life insurance policy:

- **Waiver of Premium:** Allows premiums to be waived if you become disabled.
- **Living Benefits:** Can potentially provide benefits during your lifetime, if certain requirements are met.

If you choose term life insurance, check whether it offers conversion privileges. These allow you to exchange your term policy for a permanent policy without providing medical evidence of insurability.



### Guidance for Your Decision

While cost is an important factor, the benefits and features that matter most to you should guide your choice. Review your objectives and consider all options to select the policy that best fits your situation.

Living benefits may be provided by riders, which are supplemental benefits that can be added to a life insurance policy and are not suitable unless you also have a need for life insurance. Riders are optional, may require additional premium and may not be available in all states or on all products. This is not a solicitation of any specific insurance policy.