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MONEY > INSURANCE

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## Best Term Life Insurance

Term life insurance is an affordable way to provide for your family



Term life is among the simplest of life insurance products. PHOTO: Jeff Westbrook for Buy Side from WSJ. STYLING: Miako Katoh for Buy Side from WSJ.

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*By Kat Tretina*

If you have children or dependents that rely on your income, you need **life insurance**. While there are plenty of different varieties, term life insurance is often the best—and cheapest—choice.

Term life insurance is simple, basic coverage that pays your beneficiaries a death benefit if you die during the policy's term. And it's the most affordable form of coverage; by analyzing rates from 12 leading companies, we found that you can get \$250,000 of coverage for as little as \$9 per month.

There are hundreds of life insurance companies underwriting policies in the U.S., so shopping for coverage can be a chore. To help you find the best policy for your needs, we evaluated 22 leading insurance companies and selected the top insurers based on their policies, pricing and customer service.

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- [Best overall](#)
  - [Best for customer satisfaction](#)
  - [Best no-exam](#)
  - [Best for added benefits](#)
  - [Best for those with existing health issues](#)
  - [Best for older adults](#)
  - [More options to consider](#)
  - [Term life insurance FAQs](#)
  - [How we picked](#)

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## Best overall



Pacific Life

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**Why We Picked It:** **Pacific Life** stands out from other insurers because it offers a wide range of coverage amounts and higher-than-usual coverage maximums. It also has a stellar reputation for customer support and added benefits, such as the inclusion of terminal illness riders—which allow policyholders to access a portion of their death benefit while living if they become seriously ill—at no additional cost.

Pacific Life offers two term life policies:

- **PL Promise Term:** The PL Promise Term is a basic term life policy with terms ranging from 10 to 30 years. The death benefit ranges from \$50,000 to \$1 million.
- **Pacific Elite Term:** Pacific Elite Term is for those that want to purchase a policy with a higher death benefit than they'd get with PL Promise Term. With Pacific Elite Term, customers can get \$750,000 to \$3 million of coverage or more. Plus, the policy can be converted into permanent coverage later.

In other words, if you're looking for a basic life insurance policy to cover burial expenses and other end-of-life costs, you can get a policy with a death benefit as low as \$50,000. But for those looking to leave their beneficiaries a larger financial cushion, you can purchase a policy with a death benefit that gives your family millions.

Some applicants can qualify for accelerated underwriting on PL Promise Term, meaning they don't need to undergo a medical exam for up to \$3 million of coverage. Other applicants may have to go through modified or traditional underwriting.

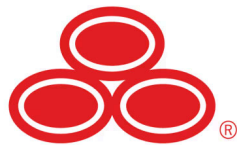
Besides the included terminal illness rider, Pacific Life offers other optional riders, including waiver of premium in cases of disability or \$10,000 of term life insurance for children.

Even though the terminal rider is included, Pacific Life is still one of the least expensive insurers we evaluated. In Buy Side's online price checks, Pacific Life's premiums were as low as \$130 per year for \$250,000 of term life coverage with a 20-year term. By contrast the industry average for a policy of that size and term is \$170, according to insurance industry trade group Limra.

**Caveats:** Although Pacific Life has strong customer satisfaction ratings, it doesn't have the features that some other insurers provide. For example, Pacific Life doesn't have an online quote tool, and you cannot purchase a policy directly through its website. Instead, you have to contact a Pacific Life financial professional to start the process.

## Best for customer satisfaction

**State Farm**



State Farm Life

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**Why We Picked It:** **State Farm** is our choice for customer satisfaction based on its user-friendly website and award-winning mobile app. Although the company does have term life options that can be bought entirely online, it also has a large network of agents for customers that prefer personalized, in-person assistance. Plus, it was the top choice in the **J.D. Power U.S. Individual Life Insurance Study**; the study evaluated companies' performance on several fronts, including communication, product offerings and price.

State Farm has several policy options, including instant-issue policies with no medical exams or interviews required. If you use State Farm for car insurance, you can also qualify for a multi-policy discount when you purchase life insurance.

State Farm has won multiple awards for its mobile app, including one of the popular **Webby Awards** in 2021. The app is robust, allowing customers to manage all of their State Farm insurance policies in one place, view policy documents, pay their premiums and contact an agent with questions.

State Farm does require applicants to work with an agent for most term life options, but the insurer has over 19,000 agents, so you can likely find one near you that can help.

**Caveats:** Although State Farm operates in most states, its term life policies aren't available in Massachusetts. And its typical premiums for standard term life insurance tend to be higher than the national average of \$170 per year, as reported by Limra. When we requested quotes for State Farm's term life coverage, the annual premium for men was \$215, and the premium for women was \$183.

## Best no-exam



### Haven Life by Mass Mutual

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**Why We Picked It:** For those that don't want to go through the hassle of a medical exam and lab work, Haven Life is an excellent choice.

Haven Life has two term life options; Haven Term, a standard term life policy with traditional underwriting, and **Haven Simple**, a no-exam option with a higher-than-typical coverage maximum.

The Haven Simple policy allows customers to apply for life insurance completely online, with no need for medical exams—helpful if you have a fear of needles, for example—or agents. Coverage amounts for Haven Simple range from \$25,000 to \$1 million, and the policy includes accelerated death benefits for policyholders that are diagnosed with terminal illnesses. This rider allows you to use some of the policy’s death benefit while you’re living to cover your expenses.

There are other digital-only term life companies, but many of them are new and have only been in operation for a few years. By contrast, Haven Life is a subsidiary of MassMutual, a major insurer that has been in operation since 1851. Because Haven Life is backed by an established company, you can be confident that the insurer will be around for the long term and able to pay out policy claims.

While it is rare for life insurance companies to go out of business, it has happened in the past. If your insurer declares bankruptcy, your state guaranty association will step in to provide some coverage to policyholders. However, the maximum amount the state guaranty association provides may be less than your policy’s value. According to the National Organization of Life & Health Insurance Guaranty Associations, the **maximum in many states is just \$300,000.**

**Caveats:** Although Haven Life provides a simple digital buying experience, its coverage options aren’t available everywhere. The Haven Simple term life policy isn’t available in Delaware, South Dakota, North Dakota or New York. And because its policies are simplified issue, meaning applicants don’t have to go through physical exams, those with existing health issues are unlikely to qualify.

If you’re looking for a quick term life policy you can buy online and you live in a state where Haven Simple isn’t issued, you may want to consider other digital insurers, such as **Ethos** or **Bestow**.

## Best for added benefits



New York Life

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**Why We Picked It:** Insurance riders—optional provisions or amendments you can add to your policy—allow you to customize and purchase additional coverage for you and your loved ones. **New York Life** has a longer-than-usual list of riders for term coverage, including the following:

- **Disability waiver of premium:** If you add this rider to your policy and later become totally disabled, New York Life will waive your remaining premiums and your policy stays in force.
- **Living benefits rider:** If you are diagnosed with a terminal illness and have a life expectancy of 12 months or less, the living benefits rider allows you to use a share of your policy's death benefit while you're living to cover your medical bills, care expenses and other costs.
- **Spouse's paid-up insurance purchase option:** If the covered person has this rider and dies, their spouse can use the policy's proceeds to purchase life insurance for themselves without having to undergo a medical exam.

New York Life also provides policy options that many other insurers don't offer, such as term convertibility option and yearly renewable term coverage.

With the term convertibility option, you can convert your term life coverage to whole life insurance later. This perk is useful if your needs change and you decide you need permanent coverage and can afford the higher premiums. For example, if a dependent develops serious medical issues and will need ongoing care, switching to **permanent coverage** may be a good idea.

With yearly renewable term coverage, you can renew your policy every year with no fixed end date. Your premiums start out quite low, but increase every year. This type of coverage is useful for those that want the cheapest insurance possible now, but may want to convert to whole life coverage at a later date.

**Caveats:** New York Life has several term life options, but it has very limited information available online about its policies, coverage limits and age restrictions. Nor does the company allow you to get a quote through its website; the only way to find out details about policies and their cost is to contact a New York Life financial professional.

## Best for those with existing health issues

Guardian Life

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**Why We Picked It:** If you have a history of significant health issues, such as HIV or heart disease, qualifying for a life insurance policy can be challenging since many companies prohibit applicants with those conditions.

That's why **Guardian Life** is our choice of term life coverage for those with existing health problems; it accepts people with pre-existing conditions, including those with HIV, high blood pressure, heart disease or anxiety.

Through Guardian Life, you can \$100,000 to \$5 million in term life coverage, and terms range from 10 to 30 years. When you purchase coverage, you have the option of adding riders to your policy, including terminal illness and waiver of premium riders. You can get a quote for term life insurance online, or you can purchase coverage through a financial professional.

**Caveats:** Guardian Life has very limited details about its policies online; the only way to get more information is to speak with the company's insurance specialists. Because Guardian Life caters to those with existing health issues, it usually charges higher premiums. When we requested online quotes for healthy 30-year-olds, we found that Guardian Life's premiums were about 20% higher than the industry average.

## Best for older adults

### Mutual of Omaha

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**Why We Picked It:** Older adults may find that they're ineligible for term life policies sold by some insurers since their age limits can be as low as 55. With **Mutual of Omaha**, individuals can apply for term life coverage as long as they are between the ages of 18 and 80.

Mutual of Omaha includes several living benefits, including chronic, critical and terminal illness riders, at no extra cost. For those who may be worried about dealing with costs associated with Parkinson's disease, strokes or heart conditions, those riders can give you some peace of mind because you can use a portion of the death benefit while you're living. However, it's important to keep in mind that taking advantage of living benefit riders will decrease how much money is left to your beneficiaries.

**Caveats:** Although Mutual of Omaha does have **no-exam options**, older adults that want \$300,000 or more in death benefits will likely have to go through the full underwriting process, including a medical exam and blood work.

Mutual of Omaha doesn't have an online quote option, which can make comparison shopping more difficult and time-consuming. You must work with an insurance agent to get a quote and purchase coverage.

# More options to consider

## Globe Life

Globe Life is highly rated for customer satisfaction—it was ranked second in J.D. Power’s U.S. Individual Life Insurance Study—but it provides limited protection. The maximum amount of term life coverage you can get is \$100,000. And though its coverage amounts are low, its premiums are expensive, and they increase as you age.

## Nationwide

Nationwide has two term life options, including Nationwide Life Essentials, a no-exam term life policy. However, that policy isn’t available to residents of New York, and it has strict age requirements; those that are 56 or older are ineligible for the no-exam option. It also has a coverage minimum of \$250,000—significantly higher than the minimums of other companies.

## Prudential

Prudential is a leading insurance company—it’s the **largest life insurance company** based on its total assets—but it was ranked below the industry average for customer satisfaction in the

J.D. Power U.S. Individual Life Insurance Study, and its premiums were much more expensive than the industry average.

# Term life insurance FAQs

Learn the basics about how term life insurance works so you can buy a policy with confidence:

## What is term life insurance?

Term life insurance is the simplest form of life insurance. It provides a death benefit—a lump sum paid to the designated beneficiary—if the policyholder passes away during the policy’s term. Terms typically range from 10 to 30 years.

Term life is quite different from permanent life insurance, which lasts for as long as you pay your premiums. And term life policies do not accumulate **cash value**; your premiums solely pay for the policy’s death benefit.

## What happens to my coverage when my term policy ends?

Once the term ends, the policy expires. If the policyholder passes away after the term’s end date, the beneficiaries aren’t eligible for a death benefit payout.

Some companies will alert you that the policy is coming to an end and allow you to renew your coverage or convert it to a whole life policy. However, the cost will be significantly higher than the premiums you have on the existing term life policy.

## What are insurance riders?

Insurance riders, also known as endorsements or amendments, adjust the insurance policy. You can use riders to add coverage for specific needs or to buy insurance for a spouse or child. Some companies include certain riders, such as terminal illness riders, at no added cost. But for most insurance riders, you'll have to pay a higher premium.

## How much does term life insurance cost?

According to Limra, a trade association focused on the insurance industry, the **average cost** of a 20-year, \$250,000 term life insurance policy for a healthy 30-year-old is approximately \$170 per year, or about \$14 per month.

That was slightly more expensive than we found during our research. Not all companies offer online quotes or provide pricing information. Of the 22 companies we evaluated, we were able to get online quotes directly from insurers or through insurance marketplaces like Policygenius for 12 of them. Based on those quotes, we found that the average annual premium for men was \$166, and the average annual premium for women was \$143.

## How do I buy term life coverage?

If you have dependents, you likely **need life insurance**. If you've been putting off purchasing coverage because you were overwhelmed by the process, you should know that term life insurance is easy to buy.

Some insurers allow you to get quotes and purchase coverage completely online, while others require you to contact an agent to discuss your insurance needs.

Either the online questionnaire or the agent will ask you a series of questions about your health and medical history. You may need to provide a list of medications you take and, if you have existing health issues, may need to provide the contact information for your doctor.

For companies that use full underwriting, you will have to get a medical exam and lab work. The insurance company will arrange the exam for you at its expense, and the exam can take place at your home or even your workplace.

After that, the insurance company will review your application and decide whether to issue you a policy. If you're approved, you'll receive a contract to review and sign. The policy typically goes into effect after you pay your first premium.

## How we picked

We selected Buy Side from WSJ's Best Term Life Insurance Companies based on available policy options, coverage limits, age restrictions, insurance riders, customer satisfaction and pricing. We also considered whether the companies allowed customers to buy policies directly from the insurer, rather than having to work with a commissioned agent.

We requested online quotes from insurers and, when a direct quote wasn't available, used [Policygenius](#) to compare rates. Our quotes are for healthy men and women who are 30 years old, in good health and never smoked. The quotes are based on term life policies with a \$250,000 death benefit, a 20-year term and no optional riders.

We evaluated the 22 major life insurance companies, using the companies ranked in the 2022 J.D. Power U.S. Individual Life Insurance Study. Policies, riders and quotes were current as of July 26, 2023.

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