

Guardian U

Quick Card

Term Life Insurance

What?

Before talking with your clients about their “tomorrows”, it is important to thoroughly cover what might happen “today.” One of the fundamental life insurance products used in this professional discussion is term life insurance.

Term life insurance provides a death benefit payable to a beneficiary upon death of the insured in exchange for a premium payment. The coverage is temporary in nature and does not build policy cash value.

Why?

The goal of life insurance is to allow a client’s family to enjoy “the same life” in financial terms that they would have experienced if the client had not died. This value is based on a concept called Human Life Value (HLV). Factors used to determine Human Life Value include planned retirement age, occupation, annual wage and employee benefits.

Term life offers affordable coverage that protects a client’s family for a set period of time. While Permanent life Insurance may offer a host of attractive features, initially it may be cash flow prohibitive for some people to purchase their total amount entirely as permanent life. So, rather than being “underinsured”, the prudent choice may be for a client to use an “all Term” or a “combination of Term and Permanent” approach.

How Does It Work?

Basic Term life Insurance features and benefits:

- **Set term:** The client buys a term period providing coverage for the length of time they need. When the term period is up, so is the coverage.
- **Affordable and predictable payments:** Premiums either stay the same for the length of the term period, or start low and increase throughout the term period.
- **Proceeds are paid in the event of death** during the term period, typically income tax-free.
- **Conversion options:** Many term life products offer the client a window during which they can convert their policy to a permanent life policy without having to go through additional medical underwriting.
- **A Waiver of Premium Rider may be added** for an additional premium to waive premium payments if the insured becomes totally disabled. A Waiver Plus Rider is also available on Guardian Level Term policies which will extend premiums being waived upon conversion at the end of the level term period. This rider incurs an additional premium.
- **An Accelerated Benefit for Terminal Illness Rider** is available on Guardian Level Term policies at **no additional cost**. This feature allows access to a portion of the death benefit in the event the insured is diagnosed with a terminal illness to help pay for things such as uncovered medical care or other expenses.

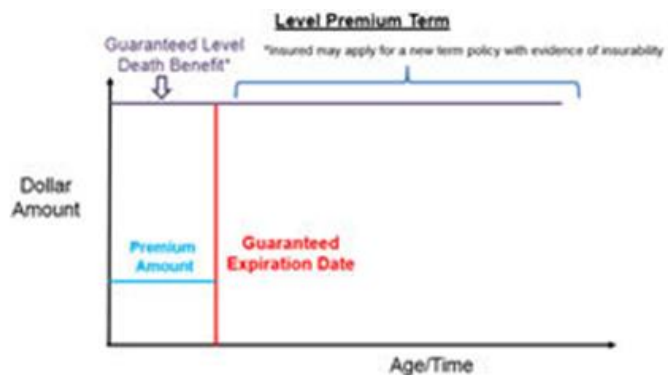
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Types of Term Life Products

Yearly Renewable (annually renewable) term insurance (policy number 17-YRT) provides a level death benefit in exchange for an increasing annual premium payment. **Both the premium and death benefit expire at the end of the term period.** (Rider form number for YRT waiver is 17-WP YRT).



Level Premium term insurance (policy number 17-GLT) provides a level death benefit in exchange for a level premium based on age and term period. **Both the premium and death benefit expire at the end of the term period.** Term periods typically run in 10, 15, 20, or 30 year blocks. (Rider form numbers 17-WP GLT, 17-WPPLUS GLT, 06-R41GLT)



Tips

Running Illustrations: Check out the Term Array Feature on Guardian Level Term illustrations, available on Guardian Proposal System (GPS), to easily show your clients the varying premium amounts and underwriting risk classes for our 10, 15, 20, and 30 year term options.

Sales Concept: Term life insurance is sometimes thought of as "renting" property versus "owning" property.

- Provides insurance protection with no accumulated cash value.
- Premiums level for a specified period of time.

Additional Information:

- Locate printable and orderable materials available for use with clients: GOL > Marketing > Order Marketing Material > Life > Term Life
- Locate additional product information on Guardian Online: GOL > Products > Life Insurance > Product Portfolio > Term Life