

# LIFE INSURANCE TYPES OF PLANS



MilSpouse  
Money Mission  
EDUCATE • EMPOWER • ELEVATE

## Plans

### TERM INSURANCE

- » Provides only a death benefit in most cases.
- » Premiums are locked in during the selected term. When the selected term ends, coverage generally continues but at higher premium rates.
- » Typically provides the largest immediate death benefit for the lowest initial outlay — especially for younger insureds. Premiums can rise sharply after the initial policy term expires.
- » Many term policies offer the ability to convert to permanent life insurance. Some life insurance companies charge a fee for this flexibility. Conversion can be a good benefit for those who desire long-term insurance coverage.
- » Military families can buy additional coverage from a commercial life insurance company if SGLI does not provide adequate insurance for their needs.
- » Remains in effect at no cost for 120 days when the Service member leaves active duty. Can be converted to Veterans' Group Life Insurance (VGLI) without proof of good health within 240 days of separation from active duty, usually with an increased premium. VGLI is a renewable term insurance and may be converted to a commercial life insurance policy from a participating company at any time.

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### SERVICEMEMBERS' GROUP LIFE INSURANCE (SGLI) FOR MEMBERS OF THE UNIFORMED SERVICES

- » Group life insurance. Provides \$400,000 of automatic coverage unless the Service member elects to reduce coverage by \$50,000 increments or cancel it entirely. Premiums are based on coverage amount, not age.
- » Includes Traumatic Injury Protection Insurance (TSGLI), which provides financial assistance to service members during recovery from a serious traumatic injury. Service members eligible for SGLI are insured for traumatic injury protection up to \$100,000 unless they decline SGLI coverage.
- » Under FSGLI, a Service member may buy coverage for his or her spouse up to a maximum of \$100,000, not to exceed the Service member's SGLI coverage. Premiums are based on age and amount of coverage. Each dependent child is automatically covered for \$10,000 at no cost.
- » Combines a death benefit with a cash value.
- » The basic premise for this type of coverage is to provide protection for your whole life.
- » You can cancel your coverage and typically redeem at least part of your accumulated cash value at any time, less any applicable surrender charges and fees.
- » May allow you to borrow or withdraw some of your cash value as long as premiums continue to be paid. However, this might reduce the death benefit and result in the policy terminating earlier than planned.
- » Permanent insurance is substantially more expensive than term insurance for similar levels of coverage.

# ABOUT LIFE INSURANCE PREMIUMS

The amount you pay for a life insurance contract can vary widely among life insurance companies and policy types. You should compare similar policies based on your age, the coverage amount and the type of policy and its features. Premiums are based on your insurability and risk class — generally determined by the following factors:

## AGE

Younger individuals generally pay lower premiums as they tend to be healthier and are less likely to die.

## GENDER

Women, who as a group have longer life expectancy than men, sometimes pay lower premiums.

## LIFESTYLE

Your use of nicotine and alcohol, as well as your avocations, may affect your premiums.

## MEDICAL HISTORY & PHYSICAL CONDITION

Your blood pressure and cholesterol levels can affect your premiums. If you have a chronic illness or a family history of diabetes, heart disease or cancer, you likely will pay higher premiums.

## OCCUPATION

If your job involves risk or travel to dangerous locations, you generally pay more for life insurance.

# LIFE INSURANCE

Life insurance is an important financial resource for your loved ones when you die. It could be used to pay debts, cover future expenses and provide income for your survivors. Whether you purchase all the life insurance you need now or build your coverage over time, determining how much you need or want is the first step. Online tools can help you determine how much life insurance is right for you.

## LIFE INSURANCE CAN BE AN IMPORTANT TOOL FOR:

- » Replacing income for your family or others who may depend on it
- » Paying off debts
- » Paying for childcare
- » Paying funeral and final expenses
- » Paying future expenses like college for children

# TO LOWER PREMIUM COSTS

- » Exercise, eat well and do not smoke
- » Maintain a healthy weight
- » Purchase life insurance at a young age to get a lower rate
- » Purchase the appropriate amount of life insurance and consider using a combination of term insurance and permanent insurance to meet short-term and long-term financial needs