

Published based on [So let us find out what is A Term Life Insurance Policy?](#)

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There are many types and variations of [life insurance](#) policies. Mostly they have are term insurance or whole life insurance or sometimes a combination of the both.

Universal [life insurance](#) allows you to adjust the premium and policy amount to what you feel you need.

On the other hand, a person who wants control over the financial and investment aspects of their [insurance](#) policy should choose variable life insurance.

So what's a term life insurance policy?

The term life insurance policy provides insurance protection for a particular period of time. The term may be extended to 5, 10, or 20 years. When the term ends the policy also expires without any benefits and without any saved or accumulated cash value. But if you die during this term then the death benefit will be paid. The term insurance policy can be said as "insurance that is actuarially designed to expire before you do."

Although premiums on term life policies tend to be low, they increase significantly as you age. Because of this, a term life policy is usually purchased when you're young, to cover a long term. While short term renewable policies are initially less expensive, the premiums begin to make them less reasonable after middle age.

Below here is an illustrative example which shows the difference of term life insurance policy cost with age.

\$ 300 / year age 35

Age 50: \$ 900 / year

Age 65: \$ 2,50 / year

Now we shall see what is a Whole Life Insurance Policy.

A whole life insurance policy remains in force until you either die or reach age 100, so long as you pay the premiums on time. Whole life is the most common type of life insurance sold. Whole life is also known as "ordinary life" or "permanent" insurance. The main characteristics of a whole life insurance policy are level premiums, level face amounts, guaranteed values, and a relatively high degree of safety. Whole life policies accrue cash value over the life of the policy; a policyholder can access this cash for emergencies, as a supplemental source of retirement income or for any other needs.

The most important benefit for the whole life insurance policy is that it includes the advantages of both savings and insurance. When there is a long term financial planning then, whole life insurances are the best option. There is also another benefit from the policy .That is the level premiums. This kind of policy will give you the peace of mind, so as not to get worried about the premium rates going up.

There are different risks involved for companies which provide whole life insurance policies and those which offer auto policies, for example. With an auto policy the insurance company hopes the policyholder will be a safe driver and never be in an accident. On the other hand, when an insurance company issues a whole life policy it knows it will someday have to pay the claim.

Shopping for life insurance is now quite simple to do online. You can compare companies and policies to make sure you get the best premiums for the policy that meets your needs. It's well worth the time to get several quotes, and to see how the companies are rated with the Better Business Bureau. It's also important to look into the financial standings of the companies you're considering before you sign up for any type of life insurance policy. If you do your research, you will easily get the best whole life insurance policy online.