AMW GROUP

EDUCATIONAL GUIDE · LIFE INSURANCE

Term Life Insurance
Is It Right for You?

How term life works, what sets it apart, and the client profile it serves best, so you can decide with confidence.

AT A GLANCE

Term Life in Plain Terms

Term life insurance gives you a large amount of protection for a set number of years at the lowest starting cost of any life insurance. It works best when your need is temporary: raising children, paying off a mortgage or replacing your income during your working years.

You choose a coverage amount and a term, often 10, 20 or 30 years. If you die during the term, your beneficiaries receive the death benefit. When the term ends, coverage stops unless you renew or convert it. Term policies build no cash value, which is why they cost much less than permanent coverage. Life insurance protects your family if you die; disability insurance protects them if you live but can't work.

PROTECT

A death benefit that, in most cases, passes income-tax-free to your beneficiaries during the term.

POSITION

A premium that usually stays level for the whole term, so you can budget with confidence.

GROW

A lower premium can free up money for retirement savings and your other goals.

HOW IT WORKS

Key Characteristics

Premiums, term lengths, renewal and conversion terms vary by carrier, product and state.

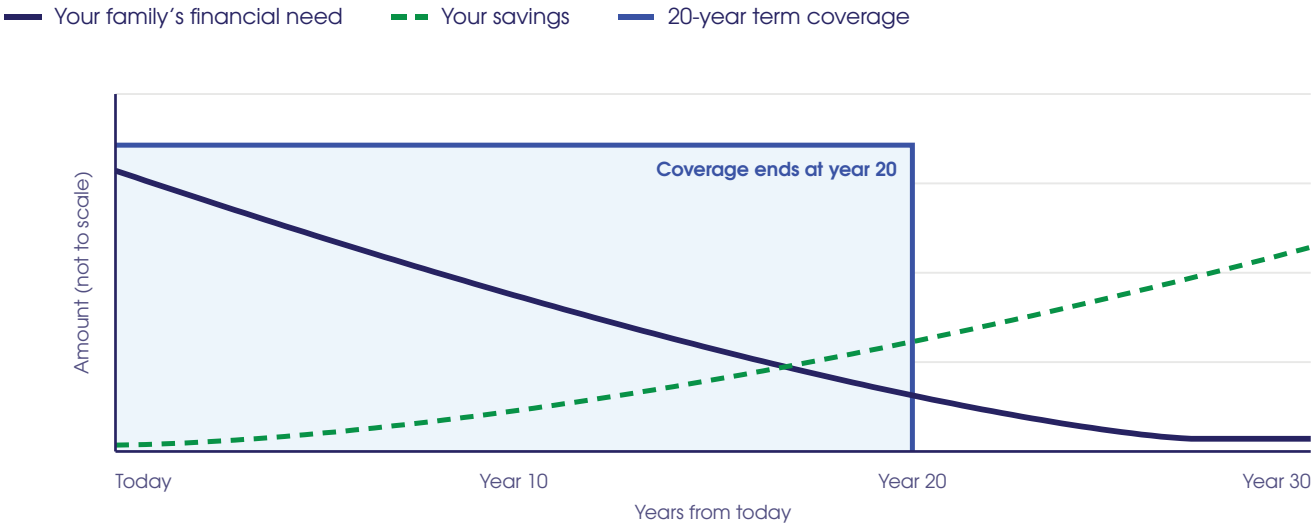
FEATURE	HOW IT WORKS	WHY IT MATTERS TO YOU
Death benefit	Paid if you die during the term. Nothing is paid if coverage ends first.	Generally passes income-tax-free to your beneficiaries.
Term length	Commonly 10, 15, 20 or 30 years, chosen when you buy.	Match the term to the years your family depends on you.
Premiums	Usually level for the term; the lowest starting cost of any life insurance.	Large coverage amounts stay affordable.
Cash value	None.	Simple and low-cost, but nothing to borrow against or cash in.
Underwriting	Priced on your age, health and lifestyle. Some policies need a medical exam; others use health questions only.	Buying younger and healthier locks in a lower cost.

FEATURE	HOW IT WORKS	WHY IT MATTERS TO YOU
Renewal	Many policies can renew yearly after the term, at much higher premiums that rise with age.	A short-term bridge, not a long-term plan.
Conversion	Many policies can convert to permanent coverage without new health questions, within a set window.	Protects your options if your health changes.
Return of premium	An optional version refunds premiums if you outlive the term, at a higher cost.	Compare it with regular term plus saving the difference.
Riders	Optional add-ons, such as waiver of premium if you become disabled, early access to the death benefit if terminally ill, or child coverage.	Tailor the policy to your family's needs.
Laddering	Owning several policies with different terms, so coverage steps down as needs shrink.	Can lower total cost while matching each need.
Guarantees	The death benefit and level premium are guaranteed for the term.	They depend on the financial strength of the insurer.

HYPOTHETICAL EXAMPLE

Matching Coverage to Your Need

Your family's need is usually highest when children are young and the mortgage is new. It shrinks as debts are paid down and savings grow. A level term policy covers those high-need years, then ends when your savings can carry more of the load.



For illustration only; not a projection. Values are not to scale. Your need depends on your income, debts, family and savings.

REAL-WORLD USES

Where Term Life Shines

Young families

A large death benefit at a low cost can replace your income and keep your children's plans on track.

Mortgage and debt protection

Coverage sized to your mortgage or loans keeps your family in the home if you die.

Stay-at-home parents

A parent at home does work your family would have to pay for, such as childcare, household management and driving. Coverage keeps things running.

A bridge to permanent coverage

Conversion lets you start affordably now and move to permanent coverage later, without new health questions.

IDEAL CLIENT PROFILE

Who Term Life Fits Best

The strongest candidates match most of these traits, not just one.

TRAIT	IDEAL PROFILE	WHY IT MATTERS
Insurance need	A large, temporary need: income replacement, a mortgage, children's education or a business loan.	Term matches coverage to the years it's needed.
Budget	You need high coverage at the lowest cost.	Premiums are far lower than permanent coverage for the same death benefit.
Age	Often 20s to 50s.	Costs rise steeply with age, so buying earlier keeps them low.
Health	Good health that you want to lock in now.	Your premium is set when you buy, based on your health then.
Savings habits	You save or invest steadily for the future.	Term works best alongside a savings plan that grows as coverage ends.
Time horizon	A clear end point, such as children grown or the mortgage paid.	Choose a term that reaches past that point.
Priorities	You want simple protection, not an investment.	No cash value means nothing to manage.

CONSIDER ALTERNATIVES

When Term Life Isn't the Fit

- You need coverage for life, such as for estate costs, a special-needs dependent or a legacy.
- You want cash value you can borrow against or use in retirement.
- Your need will likely outlast any term you can buy, given your age or health.
- Your age or health would make renewal or new coverage too costly.
- You want premiums that are guaranteed for life.
- A business agreement needs coverage that lasts as long as an owner lives.

KNOW BEFORE YOU COMMIT

Risks We Help You Manage

Term life is simple, but it still carries real risks. Here is how we help you stay ahead of each one.

THE RISK	HOW WE HELP
Outliving the term. Coverage ends, and you may still need it.	We size the term to your longest need and plan for what happens when it ends.
Rising renewal costs. Keeping coverage after the term can cost far more each year.	We review your coverage before the term ends and compare your options.
Health changes. New coverage later may cost more or be unavailable.	We explain your conversion rights so you can keep coverage without new health questions.
Too little coverage. Choosing a low amount to save money can leave your family short.	We size coverage from your income, debts and goals, not a rule of thumb.
Missed conversion window. The right to convert usually ends at a set age or policy year.	We note your conversion deadline and remind you before it passes.
Relying on group coverage. Workplace coverage often ends when you change jobs.	We review your group benefits and fill any gap with individual coverage.
Lapse from missed payments. Coverage can end if a premium goes unpaid past the grace period.	We help you set up automatic payments and check in each year.

WEIGH THE ALTERNATIVES

Compare Your Options

	WHOLE LIFE	UNIVERSAL LIFE	IUL	TERM LIFE
Coverage length	Lifetime, while premiums are paid	Lifetime, while the policy stays funded	Lifetime, while the policy stays funded	A set term of years
Premiums	Higher; fixed and level	Flexible, within limits	Flexible, within limits	Lowest to start; usually level for the term
Cash value	Guaranteed, steady growth; may earn dividends	Earns a declared rate, with a guaranteed minimum	Credited from index gains, within a cap and floor	None
Guarantees	Strongest: premium, cash value and death benefit	Minimum rate; some versions guarantee the death benefit	Fewer; results depend on funding, caps and charges	Death benefit and premium for the term
Attention needed	Low to moderate	Moderate; needs periodic review	Higher; needs a yearly review	Low; review before the term ends
Best for	Lifelong coverage with certainty and predictability	Flexible lifelong coverage with rate-based growth	Lifelong coverage plus flexible, market-linked cash value	Affordable protection for a set period

COME PREPARED

Before You Buy

Questions to ask

1. How long should my term be to cover my family's needs?
2. How much coverage do I need, and how was it calculated?
3. Can I convert my policy to permanent coverage, until when, and to which policies?
4. What happens to my premium if I keep coverage after the term ends?
5. Which riders come with my policy, and which cost extra?
6. How strong is the insurer behind my policy?

HOW WE HELP

Let's Connect— We're Here to Help!

We help you choose the right amount and length of term coverage, and we weigh it against permanent options so you see the full picture.

Needs assessment

We add up your debts, mortgage, education costs and the years of income to replace, to size your coverage and term.

Product recommendation

We compare insurers, term lengths and riders and design coverage for your priorities.

Policy management

We review your coverage as life changes and before your term or conversion window ends.

SUITABILITY CHECKLIST

- [ ] A clear, temporary need for coverage
- [ ] Coverage sized from a needs analysis
- [ ] Term reaches past your longest need
- [ ] Workplace coverage reviewed
- [ ] Conversion deadline noted
- [ ] Premium fits your budget
- [ ] Beneficiaries set, with a plan for minors
- [ ] Reviewed with your tax or legal advisor

YOUR NEXT STEP

Schedule your life insurance needs assessment with AMW Group.

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PROTECT. POSITION. GROW.

This guide is general educational information, not individual financial, tax or legal advice. Term life insurance has no cash value, and coverage ends at the end of the term unless renewed or converted. Premiums, renewal and conversion terms vary by carrier, product and state. Policy guarantees depend on the claims-paying ability of the issuing insurer. Review any specific policy with a licensed professional before you buy.

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