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Life insurance is a contract between the insured person and the insurance company. The contract is about paying the assured amount of death benefit to the listed beneficiaries, in case of the death of the insured person. There are a number of different indemnity plans and policies available in these days. Term life insurance policy is one such important type of the life assurance policy. This type of policy provides a complete coverage only during the term of the safety policy. A person will pay the premium of the policy and in case of the demise of the person within the specified term period; the listed beneficiary will receive the entire amount of the death benefit. The amount received as the death benefit by the beneficiary is 100% tax free.

The saving component is missing in the case of death benefit of this policy. This means that, there is no wealth accumulation on the premium of the policy and the death benefit received will be same as the sum mentioned in the policy. In case the owner of the policy lives more than the decided term, then he is not entitled to claim the amount of the policy. Also, you cannot surrender the policy before its term and withdraw the cash in case you are short of money. Moreover, in case the person passes away before the expiry period of the term, the owner cannot claim the insurance amount.

There are various types of term life insurance policies and some of the main types are discussed below. You are required to go through the following points carefully in order to know more about the main types of term policies.

1. Level Term

In this policy, the amount of life insurance premium remains the same all through the time period of your policy. Generally, the time period of most of the term life insurance policies is for about 20 years and the term can be renewed after that time period. The 20 years term policies are considered to be best for the people below 40 years. These policies can be of 5 years, 10 years, 15 years, 20 years and more. The 15-30 years of term safety cover policies are known as the mortgage policies. This is so because they can be used to pay off the existing mortgage balances in the event of death of the person.

2. Increasing/ Decreasing Term

In this type of term policy, the amount of the safety cover, that accrues to the listed beneficiary, increases or decreases with the time. However, the premium amount remains the same during the course of the contract.

3. Convertible Term

The convertible term policy provides the owner with the right to convert the term policy into a permanent policy. This is mainly useful for the people, who may feel that at certain point of time in the coming years, they would be able to pay higher amount of premium of the permanent life assurance plans.

So, this was all about the term life insurance cover and the different types of insurance plans. You are required to go through the article carefully in order to safeguard the future of your family.

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By purchasing a suitable a [life insurance](#) policy, you can assure proper living of your partner and other dependents after your death. You can learn more about the various types of life insurance policies and a [decreasing term life insurance quotes](#) after speaking to our expert. You should not purchase an insurance policy without having a word with our expert.

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