



What is term life insurance?

Term life insurance can be a viable option for protection for a few reasons.

Discover the benefits of term life insurance.

Term life insurance is a simple product designed to provide an income tax-free death benefit to the people you choose, known as your beneficiaries, upon your passing. These policies provide coverage for a set period of time. Term life can be a great starting point to help protect your loved ones.

Term is sometimes referred to as “pure life insurance” because, unlike whole life or universal life insurance, there’s no cash value component to a term policy¹ — it’s designed purely to give your beneficiaries a payout equal to the face value of the policy if you pass away during the policy’s term. However, because there’s no cash value component, you may get more coverage — i.e., a bigger death benefit — for your premium dollar.

How does term life insurance work?

Term life insurance is a contract between you and the insurer, such as Guardian. It lasts for a time period you choose, from 1 to 30 years, during which time you make premium payments that can either be monthly, quarterly, or annually. If you die while your policy is in force, the insurance company will pay a death benefit to your beneficiaries. If you die after your policy expires, there is no cash value or payout.

Are there different types of term policies available?

There are different types of term policies to choose from with different payment arrangements available, including:

- **Level term:** This type of policy is designed for you to pay the same premium for 10, 15, 20, or 30 years.
- **Yearly renewable term:** This type of policy provides coverage for a year at a time, with an option to renew without a medical exam for the term — but at a higher cost each year. Compared to a level policy, your premiums will be slightly lower at first, but over the full term, you’ll typically pay more.
- **Return of premium:** This type of policy pays back all or a portion of your premiums if you live to the end of the term. The downside is your premiums could be higher than with a level term policy for the same coverage.



Why many turn to term life insurance.

A term life policy gives you reassurance that you can live life to the fullest knowing your family will be financially protected if you pass away.

1. It's a simple insurance product to understand.
2. It's predictable. You know what it will cost and how long it will last.
3. It can be a cost-efficient way to get the amount of insurance coverage you want.
4. You can choose the level period that works for you and customize your policy with additional features.

Taking the time to understand **the unique benefits** of term life insurance can be the first step toward a more confident future.

How does a term life insurance policy work?

Decide how much of a death benefit your beneficiaries will need — You should consider getting enough coverage to help take care of your family's financial needs if you're not there to support them.

You choose a term length — One of the biggest questions is, how long of a term you want. If you have children, a popular rule of thumb is to choose a term long enough to see them out of the house and through college. The longer your term, the more you'll typically pay for a given coverage amount.

The application process — Before you may qualify to purchase a policy, the insurer needs to assess how much of a risk you are to insure. This is called the "underwriting" process. This process determines if the insurer wishes to issue you a policy, and how much you will pay for your coverage (if approved).

Name your beneficiaries — You will need to choose the beneficiaries of your policy. And while beneficiaries are typically family members, they don't have to be. You could choose to leave some or all of your policy benefits to a trust, a charitable organization, or even a friend.

A term policy can be converted.

Convertibility is a policy provision that lets you change your term insurance to a permanent whole life policy later on. Guardian lets you convert level term insurance coverage at any point in the first five years to a permanent life policy — and even offers an optional Extended Conversion Rider,² which extends the conversion option for the duration of the policy.

Why would you convert to a whole life policy from term?

Maybe you want permanent lifelong coverage. Another reason: You're attracted to the benefits of a whole life policy, such as the cash value component. Or if you've had a serious health problem — for example, a heart attack — it may be very difficult to get another policy.

A term policy may well be your best choice for *now*, but your protection needs can change as your life changes.

To discuss whether a term life policy is right for you, contact a trusted financial professional.

The Guardian Life Insurance Company of America
guardianlife.com

New York, NY

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¹ Some whole life policies do not have cash values in the first two years of the policy and don't pay a dividend until the policy's third year. Talk to your financial representative and refer to your individual whole life policy illustration for more information.

² Riders may incur an additional cost or premium. Riders may not be available in all states.

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