Policygenius Pro
by zinnia®

Term life insurance 101

Term life insurance guarantees financial protection for your client's family over a specific period — the term — before expiring. If your client dies before the term ends, their beneficiary receives a payout that can be used to cover funeral costs, bills, or other expenses. **Thanks to lower costs and simplicity, a term policy is the right kind of life insurance for most people.**

How much coverage is enough?

Rule of thumb

10-15x your client's income

The amount of life insurance your client gets should be enough to replace their lost income *and* cover their family's future expenses, like mortgage payments, education costs, and bills.

For parents

Income plus number of children

If your client is a parent, estimate a coverage amount by using the **"multiply by 10"** rule, then adding at least $100,000 for each child they have or plan to have.

The DIME Method

Debts, income, mortgage, education

You can provide your client with the most accurate estimate by adding up:

- Their outstanding **debts**
- Their **income** multiplied by the number of years their family will depend on it
- The amount left on their **mortgage**
- The costs of their children's **education**

For the budget-conscious

1% of annual income

If affordability is the top priority, the 1% rule may be the right estimation method for your client. Just choose a coverage amount with annual premiums that add up to about 1% of their annual income.

Questions? Reach out to partnerships@policygenius.com to learn more.