

The Life Insurance Definitions Guide outlines various types of life insurance and provides a glossary of key insurance terms. Life insurance is categorized into two main types: term and permanent. Term life insurance offers a death benefit if the insured dies during the coverage term, typically at a lower cost since it lacks savings elements. Within term insurance, options include Annual Renewable Term, which renews yearly without proof of insurability but may have increasing rates; Level Term, which maintains a fixed benefit and premium for a specified period; Increasing/Decreasing Term, where the benefit amount changes while premiums remain stable; and Joint Term, covering two spouses with a payout upon the first death.

Permanent life insurance provides lifelong coverage and includes a cash value component, making it generally more expensive. Whole Life Insurance guarantees lifetime protection with fixed premiums and benefits, offering a low-risk, tax-deferred cash value. Universal Life Insurance also provides permanent coverage but allows for more flexibility in premium payments and coverage amounts.

The glossary includes terms such as Accelerated Death Benefits, which allow access to a portion of the death benefit before death; Guaranteed Issue, which permits insurance purchase without health disclosures; and Pre-Existing Condition, which may limit coverage for certain health issues. Other terms include Cash Value, the amount received upon policy cancellation; Premium, the cost of coverage; and Exclusion, which refers to conditions not covered by the policy. The guide emphasizes that not all types of life insurance mentioned are available through the IEEE Member Group Insurance Program.