Manulife

Insurance Explained – Term life insurance video

Transcript

Video opens on an animated introduction with the following supers:

Manulife presents Insurance Explained

Today's topic: Term Life Insurance

Talent starts speaking on camera.

Term life insurance.

There's more to it than you may think.

So…you maaay wanna stick around.

(Cut to a frame where the super "What is term life insurance?" appears).

As you may have guessed from its name, term life insurance is a type of life insurance that covers you for a specific period of time.

It's one of the most common and simple life insurance available in Canada.

(Cut to a frame with several policies appear on screen. On the one in the middle, it says "term life insurance". and we see 3 stickers on it, one for each of the years: 10, 20 and 30).

Every month you pay what's usually a small amount of money – the premium - for a pre-determined number of years (most common being 10, 20 or 30 years) —and if you pass away within that time, your family and loved ones get some money.

Term Life is also one of the more affordable options because it only covers you for a limited period of time and the chances that you'll pass away during this "term" or period of time are small.

And the smaller the probability of the risk, the cheaper the premium.

(Illustrations of a birthday cake, apple, a cigarette and a shield appear in and out of the screen).

The cost of Term Life insurance depends on a few factors like your age, your health, lifestyle and coverage required. The younger and healthier you are, the cheaper the cost will be.

And the monthly premium will remain the same month-over-month during the term of the policy – regardless if your health changes.

(Cut to a frame where the super "Why consider term life insurance?" appears).

But considering a type of life insurance isn't just about its cost. It's more importantly about the type of risk you want to cover.

(Illustrations of a house and a graduation cap appear in and out of the screen).

If you're looking to cover a specific debt with a timeline – like a mortgage for example – or want to have some funds to look after your kids until they move out of the house or go to university – then term life insurance can be a good option as the risk you're covering is limited to a specific number of years.

Both the duration AND the amount of coverage depend on the type of risk you want to cover.

(Cut to a frame where the super "What do you do when it expires?" appears).

So, there's a few options when a Term Life policy is close to the end of the term:

(Supers "Cancel" and "Renew" appear on screen beside the talent).

If you don't need the coverage anymore, you can cancel the policy.

If you STILL need coverage, you can keep it and it will renew automatically.

But this will be considered a new term which means that your premium will significantly increase as you're now much older (and since premium is calculated based on your age at the time of renewal).

The way term life insurance is built makes it one of the most affordable protection options in the country—which makes it a very popular insurance with Canadians who want a budget-friendly life insurance.

Another benefit is that if you're covered with term life insurance and your health changes, you'll still be able to renew your coverage AND have some kind of life insurance protection regardless of your health status since you my friend were prepared and already had some protection in place.

But, if you don't have coverage and your health status changes, it's possible that you wouldn't be approved for some life insurance plans altogether.

(Cut to a frame where the super "The takeaway" appears).

So if you do happen to be considering life insurance at some point in your life, think about what you want to cover, how long you'll need coverage for and if it could go for longer than anticipated.

(Illustration of a house in a speech bubble, of an hourglass, of a piggy bank appear on screen beside the talent).

Also, consider your budget and how much YOU can afford— we all have different needs and unique situations — and term life insurance can accommodate them all.

It's just important to understand what the life insurance is gonna be used for, so you get the right coverage to help your loved ones continue to live their life without any financial disruptions or hardship.

If it's to cover an immediate risk or a specific debt, then term life may be the best option.

But if you're looking for a more "permanent" solution – pun intended – and to use life insurance to leave a lump-sum to your loved ones, then permanent life insurance may be a more fitting solution.

And if you're saying to yourself, "I totally need to know more about this permanent life insurance thing", I have some good news—we have a whole video dedicated to it!

And if you've already watched it—you're probably all insuranced-out.

So, I'd probably just go watch a movie…or bake sourdough bread or something.

Take care!

Manulife

(Cut to end frame with Manulife logo and legal disclaimer).

The information in this video is not to be relied upon as financial or investment advice for specific situations. Individual circumstances may vary. You may wish to contact one of Manulife's licensed insurance advisors or your licensed insurance agent if you need advice about your insurance needs.

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