Term life insurance is designed to offer financial protection to beneficiaries for a specified period, such as 10, 20, or 30 years. If the insured person passes away during the policy term, the insurance company pays a fixed death benefit to the beneficiaries. If the insured outlives the term, the policy typically expires with no payout unless it is renewed or converted to a permanent life insurance policy.

Coverage Duration: Policies cover the insured for a defined period, after which coverage ends. Common terms include 10, 15, 20, or 30 years.

Premiums: Premiums are usually lower and fixed during the initial term, making term life insurance generally more affordable than whole life insurance.

Death Benefit: The primary purpose is to provide a fixed lump-sum payment to support beneficiaries financially, often for income replacement, debt repayment, or education expenses.

No Cash Value: Unlike permanent life insurance, term life insurance does not accumulate cash value or investment components.