Term Riders: Flexible Coverage Solutions

Stacking 10, 15 or 20 years of term coverage on top of a base policy may be the most cost-effective way for your clients to buy term life insurance

The Need

Your client needs 30 years of affordable coverage, but the protection need will shrink as financial milestones are reached:

- Mortgage paid
- College tuition paid
- Credit card debt paid
- Retirement

The Solution

A term rider is an additional insurance rider that provides temporary coverage for a shorter time period than the base policy. Riders may be larger in face amount than the base policy but must be of shorter duration.

The Benefits

Term riders can give your clients flexibility while saving them money and time:

Save money — multiple policy fees can really add up, making term riders a great option

One easy payment with consolidated billing

Flexible options — one to three term riders in durations of 10, 15 or 20 years may be stacked

Automatic — riders drop off and premiums are reduced as each rider's coverage period expires

Convertible — while riders are in force

Use term riders to get your client the right amount of coverage, for the right amount of time.

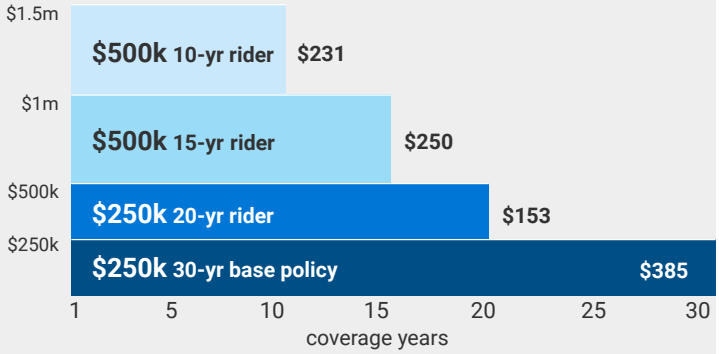
A Case Study with Term Riders

No additional policy fees or charges for term riders means clients can save money when compared to purchasing multiple policies or one large policy.

OPTerm 30 policy with 10, 15 and 20-year term riders

$1.5 million initial total coverage amount

Male, Age 40, Preferred Non-tobacco



*Sample Term Rider Cost Breakdown

POLICY	COVERAGE	COST
OPTerm 30 base policy	$250,000	$385
20-year rider	$250,000	$153
15-year rider	$500,000	$250
10-year rider	$500,000	$231
Total:	$1,500,000	$1,019

Four Individual Policies

Purchasing four individual OPTerm policies of the same coverage amounts and durations costs **$1,289** annually — policy fees increase the cost by $270 per year and can really add up over time.

One Cover-All Policy

A $1.5 million OPTerm 30 policy costs **$1,909** annually — that's almost double the cost of stacking coverage with term riders.

*Premiums should always be quoted online and sample rates provided should not be used as a means for quoting premiums with clients or prospects.

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