

Life Insurance Glossary

Like any form of insurance, it may seem like people are speaking a different language when talking about life insurance. Get up to speed with this helpful glossary of important life insurance terms.

Beneficiary - The person or persons eligible to receive the life insurance proceeds upon the death of the insured.

Convertible Term Insurance - A term life insurance policy that can be adjusted to a permanent life insurance policy at the policy owner's behest.

Cash Value - Usually found in whole life or universal life insurance policies, this refers to the amount of money a policy owner would receive should they cancel their insurance or allow it to lapse.

Death Benefit - The amount payable after the death of the insured.

Death Claim - Request for payment to the insurance provider by the beneficiary.

Exclusions - Limits or conditions listed in a policy for which the benefit will not be paid.

Insurability - Acceptability of an insurance company to provide coverage for an individual.

Lapse - Termination of a policy due to unpaid premiums.

Loan - A loan made from the insurance provider to the policy owner, secured by the policy's cash value. The outstanding amount of the loan is deducted from the benefits.

Policy Owner - The person who owns a life insurance policy, the insured.

Premiums - The amount of money that must be paid to the insurance provider to keep the policy in good standing.

Renewable Term Life Insurance - A term life insurance policy that can be renewed at the end of its term, without the need for evidence of insurability. However, the renewed policy may have more expensive rates.

Rider - A provision attached to a policy outlining restrictions or limitations.