

Financial planning

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Financial Planning TEN YEAR LEVEL PLAN A ten year level term insurance is a type of insurance that offers a stable, assured premium in the first ten years. Following the increase of the premium in future, many people venture in the policy early (Kaye, 1989). This type of insurance is very cheap and hence profitable and most popular.

This policy assures a stable rate for ten years duration in life. However, one is not hooked to the system until the end of the ten-year but is free to terminate the premium at any given time without penalty by terminating the premium payment (Fedorowicz, 1977). By the 10th year, the rate increases profoundly but does not go beyond the first term policy (Kaye, 1989).

Conversely, one can be renewed.

There are merits associated with the term policy. First, one's coverage does not end at the 10th year but can still go on as long as you pay the premiums past the 10th year. Secondly, the term policy is convertible with no prove to one's health. In doing so, you are offered a level rate for as long as your lifetime (Fedorowicz, 1977).

TWENTY YEAR LEVEL TERM

A twenty year term is beneficial for squat term protection. In case of untimely death, a huge payout is given out. The premium also pays for a home mortgage (Fedorowicz, 1977). In case of death the next of kin is given a lump sum of money. Also, this term caters for newly employed youths who are to plan their life (Kaye, 1989). The policy is flexible, and one can renew and convert it from one policy to other policies.

Due to the flexibility, its ability to cover a wide and security of the ten year level policy, it is now the most popular term in the insurance policy.

References

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