

Term life insurance: step rate or level premium, which makes more sense for you?

Mostly A's: Level premium term life insurance coverage might suit you best.

Mostly Bs: Consider learning more about step rate term life insurance coverage.

Would you prefer a fixed or flexible life insurance plan?

- A. Fixed - I'm looking for a plan with no surprises with rates that stay the same for the term I choose.
- B. Flexible - I want a plan I can make changes to as my life changes.

How do you feel about the potential of increasing premiums?

- A. I prefer to avoid any increases in my premiums.
- B. I understand and am okay with the possibility of higher premiums as I age.

How do you view the cost of your insurance?

- A. I want to lock in the lowest possible rate for the term of the policy.
- B. I'm willing to pay a bit more now for potentially lower rates in the future.

What is your current financial situation?

- A. Stable and predictable income.
- B. Income may fluctuate over time.

Do you have children or other dependents living with you?

- A. Yes, so I'd like to have extra coverage to support additional care expenses until no longer needed.
- B. No.

Do you have other time-based financial obligations? {i.e mortgage, car loans, or student loans}

- A. Yes, so I need more coverage that lasts for a specific number of years.
- B. No, but may in the future.

What are the key differences of each type of life insurance?

Level Premium Term life insurance

Rates that stay the same: Level Premium Term (LPT) life insurance offers steady rates for the length of the entire term period. This makes it an ideal option for long-term cost planning and budgeting, as the rates remain consistent regardless of your age and health.

Coverage for set terms: If you need coverage for a specific period, such as until your children are grown or your mortgage is paid off, LPT can help to provide the stability and predictability you may need.

Opportunity for lower rates: The younger you are when you apply, the lower your rates will typically be, making it more cost-effective

Step Rate Term life insurance

The premiums for a step rate term policy starts lower and increases as you age. This can be advantageous if you expect your income to grow over time, allowing you to manage lower initial costs.

Often require ongoing proof of good health. This can affect your rate class eligibility and potentially lead to higher premiums if your health changes.

Longer terms: If you need coverage for a longer duration and are comfortable with the possibility of rate increases, step rate term life insurance might be an option for you.

Next steps

AICPA members have access to both types of coverage at affordable, member-exclusive rates, [The CPA Life Plan](#) and [Level Premium Term \(LPT\) Life Insurance Plan](#). Learn more about coverages that are issued by **The Prudential Insurance Company of America**.



Not sure how much coverage you may need?

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Questions? Call 800.223.7473.
We're available 8:30am-6pm ET, Monday-Friday.

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