

## Guide To Life Insurance: What Life Cover is Available, and Who Provides It?

When it comes to buying life insurance the choices on offer can sometimes prove confusing.

And with a policy expected to provide peace of mind for your family, it's important you choose the cover that best suits your needs.

It's therefore crucial to understand what policies are available and which providers you should consider.

### What types of life insurance are available?

&#8226; Level term insurance - An insurer agrees to pay out an agreed lump sum in the event of the policyholder's death over a fixed time period - for example, 25 years. Such cover is useful for people who want to protect their family.

&#8226; Decreasing term insurance - The sum guaranteed by an insurer declines over the period of the policy, typically in line with the customer's declining mortgage balance.

&#8226; Renewable term insurance - The policyholder is allowed to renew the insurance at its expiry date and continue without having a medical up to a specified age.

&#8226; Convertible term insurance - A policy which allows the option to convert a level term insurance policy to cover which includes some form of investment element (this will not normally require a medical upon conversion).

&#8226; Increasing term insurance - The value of the sum insured increases over the policy's term to compensate for the effects of inflation.

&#8226; Index linked term insurance - A type of increasing term insurance - the policy links premiums and the sum insured to rise in line with the retail price index.

### Who provides life insurance?

The number of insurance providers on the market can seem dizzying, with countless companies vying for your business. Here's what you should know.

&#8226; Mortgage providers - Your mortgage provider will often offer some form of life insurance when you agree a home loan. It's important to remember that you are not obliged to buy cover from them so feel free to shop around.

&#8226; Major insurers - Firms such as Prudential, Aviva and Legal & General are established players in the life insurance market. They offer a wide range of life insurance policies, and some provide policies which are sold by third parties, such as supermarkets.

&#8226; Banks - Banks sell insurance under various guises, for example Scottish Widows is part of Lloyds Banking Group, while Royal Bank of Scotland owns Direct Line.

&#8226; Supermarkets - In recent years, major supermarkets have moved into the life insurance market under agreements with insurance companies. Tesco's life cover is provided by Direct Line, while Legal & General underwrites Sainsbury's policies.

&#8226; Specialists - Whereas many insurers offer a range of cover from car insurance to home insurance, along with life cover, you may feel happier with a company which provides just life insurance, such as Bright Grey.

Of course, the simplest way to see a range of competitive [life insurance](#) policies in one place is to search online. You can quickly and easily compare policies, allowing you to check what features they offer, as well as their price.

### About the Author

You can find out more about [life insurance](#) at <http://www.confused.com>

