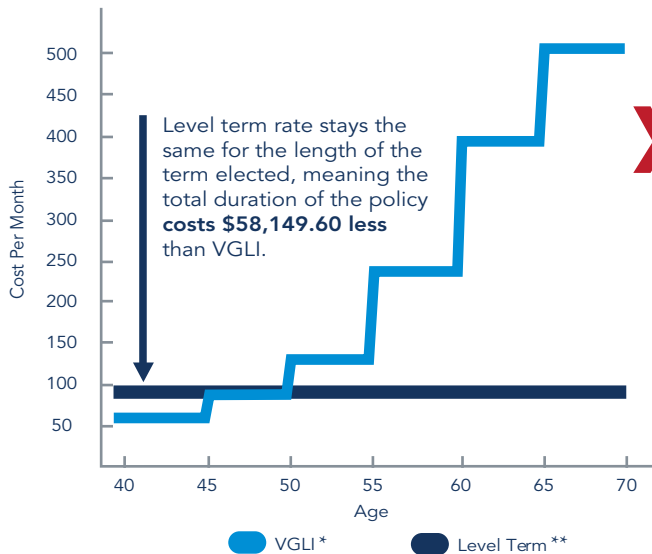


Comparing VGLI and Level Term



Veterans' Group Life Insurance (VGLI):

Group life insurance exclusively for separated servicemembers that increases in cost as you age. Coverage lasts as long as premiums are paid.



Level Term Life Insurance:

Individual term life insurance available to the general public[†] in which premiums remain level for the duration of the policy term. Policies typically last 10, 15, 20, or 30 years, after which the policy expires.

[†]Navy Mutual Membership eligibility is limited to those who serve or have served and their families.

Pricing Structure:

✓ \$400,000 coverage under VGLI*:

- Age 40: \$64 per month
- Age 45: \$84 per month
- Age 50: \$132 per month
- Age 55: \$240 per month
- Age 60: \$396 per month
- Age 65: \$588 per month

*VGLI rates effective April 1, 2021

✓ \$400,000 coverage of level term, 30-year term:

- Purchased at 40: \$89.14 per month**

**Navy Mutual Standard Plus rate for Level II Plus Term

Similarities

- ✓ There is no cash value accumulation.
- ✓ Both are convertible to whole life insurance options.
- ✓ There is a guaranteed death benefit for beneficiaries if the insured dies while the policy is active.

Differences

- ✎ The health of the insured plays into the pricing structure of level term insurance products. VGLI premiums are solely based on age and coverage amount.
- ✎ Females typically pay lower premiums than males for level term life insurance. VGLI costs the same regardless of the sex of the insured.

VGLI

PROS:

- No medical exam is necessary if you apply within 240 days of leaving the service
- Coverage does not end at a specific age as long as premiums are paid

CONS:

- Cost prohibitive at older ages
- Only provides up to \$400,000 of coverage
- Veterans are ineligible for coverage after one year and 120 days from their separation from the military

➔ **The Takeaway:** If you are medically uninsurable but within 240 days of separating from the military, VGLI will provide up to \$400,000 of life insurance without requiring a medical exam and coverage will remain in force as long as you pay your premiums. However, if you are medically insurable, level term life insurance policies may be more affordable, especially at older ages.

Level Term Life Insurance:

PROS:

- Affordable coverage
- May provide up to or more than \$1,500,000 of coverage depending on your needs
- Can lock in a guaranteed rate for longer periods of time than VGLI, in which prices increase, based on your age, no matter what

CONS:

- Typically requires a medical exam; certain illnesses or conditions may increase premium pricing or exclude an individual from eligibility altogether
- Coverage is temporary, so policies must be renewed or medically underwritten again after the end of the policy term
- Coverage may end at a certain age

Have Questions? Contact Us:

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