

What Happens When Your Term Life Insurance Policy Ends?

When your term life insurance expires, the coverage stops. There are no more premiums or death benefits. You won't get your money back unless your policy includes a **return of premium (ROP) rider** — an optional add-on you would've chosen when you first bought the policy.

With ROP, your life insurance company refunds the premiums you paid over the years. These riders cost more up front but can be a good fit for people who want some kind of return if they don't use the policy.

If you didn't choose that option, you're not getting scammed: Term life is built to be affordable because it doesn't guarantee a payout. It's meant to give you peace of mind at a fraction of the cost of permanent insurance.

How to decide if you still need life insurance

Before you rush to replace your term policy, take a breath. You might not need life insurance anymore — and that could be a good thing.

Ask yourself a few questions:

- **Is anyone still relying on your income?** If your partner, adult children or other dependents would face hardship without your financial support, you may still need coverage.
- **Do you have any unpaid debts?** Life insurance can help cover lingering financial obligations like a mortgage, medical bills or [cosigned loans](#) so they don't fall to your family or loved ones.
- **Are you planning to leave an inheritance or cover final expenses?** Some people keep life insurance to leave behind a specific amount or help with funeral costs.
- **Are you financially supporting anyone else?** This could include helping a grandchild with college, caring for a sibling or parent or contributing to a partner's health care.

- **What's your current financial situation?** If your kids are grown, your house is paid off and you've built a [solid retirement nest egg](#), you may not need another policy at all.

Answering these questions can help you decide if you still need term life insurance after it expires.

What to do if you still need life insurance after the end of your term: 4 key options


If you've decided life insurance still plays a role in your financial plan, you've got a few paths to choose from.

1. Convert your term policy to permanent insurance

Some term policies include a *conversion option*, which lets you switch to a permanent policy — usually whole life insurance or universal life insurance — without going through another medical exam.

When this option might make sense:

- You've developed a medical condition that would make buying a new policy difficult or expensive.
- You want lifetime coverage for estate planning, long-term care expenses or leaving an inheritance.
- You like the idea of building cash value over time or locking in guaranteed premiums for life.

 **What to watch out for:** Converting to a permanent life insurance policy could raise your premium significantly. But if permanent coverage is your goal and your health has declined, this could be your best shot at keeping coverage in place.


2. Renew your term life policy

Some term policies allow for renewable coverage on a yearly basis after the term ends. You don't need to reapply or go through underwriting. However, you could

see a big jump in price, since insurance providers now price your premium based on your current age.

When this option might make sense:

- You only need coverage for a few more years — maybe to cover a mortgage or support a child through college.
- You're not ready to shop for a new life insurance policy yet but want to avoid a coverage amount gap.
- You're waiting to improve your health or get approved for another policy.


 **What to watch out for:** Insurance premiums can increase dramatically. A \$250,000 term life policy that costs you \$70 a month in your 40s might cost \$800 or more a month in your 70s. And those rates usually go up again every year you renew. This strategy can work in the short term, but it's rarely sustainable over time.

3. Apply for a new term life policy

If you're in relatively good health, buying new coverage could give you a better rate than renewing or converting if you shop around. You'll need to go through underwriting again (which might involve a new medical exam), but it's often worth it if you're insurable.

When this option might make sense:

- You're still working and need income replacement for another 10 to 20 years.
- You want to cover lingering debts or support dependents into early adulthood.
- You're younger than 70 and can qualify for competitive rates.


 **What to watch out for:** Rates go up with age but can still be affordable if you're healthy. For example, a 60-year-old female nonsmoker in good health might pay around \$275 a month for a 10-year, \$250,000 policy.


4. Look into final expense or guaranteed issue life insurance

If your main goal is to cover funeral costs or leave a small legacy, final expense insurance (also called burial insurance) might be a good fit. These are small whole life insurance policies — typically in the \$5,000 to \$40,000 range — with simplified or guaranteed approval.

When this option might make sense:

- You're not in great health and don't qualify for traditional policies.
- You want something permanent but don't need a large death benefit.
- You prefer predictable premiums and a policy that lasts for life.

 **What to watch out for:** These policies are convenient, but they might not be cheap. You could pay more per dollar of coverage compared to other options, and some guaranteed issue policies have a one- to three-year waiting period before the full benefit kicks in.

 **Expert tip:** Each of these life insurance options comes with trade-offs. The best fit depends on your age, health, budget and what you want the policy to do for your loved ones. If you're not sure where to start, it might be worth connecting with a licensed life insurance agent or [fee-only financial advisor](#) who can walk you through your choices without pressure.

What to do if you no longer need life insurance

If your term life policy is ending and you no longer need coverage, that's a win. It means your biggest financial responsibilities are behind you, and replacing your policy might not be necessary.

But just because you no longer need life insurance doesn't mean you should stop planning. This is a great time to:

- **Review your estate plan** and make sure your will, beneficiaries and power of attorney documents are up to date.

- **Consider long-term care insurance** or a savings strategy for future medical needs.
- **Use [TOD \(transfer-on-death\) accounts](#) or [POD \(payable-on-death\) designations](#)** on bank or investment accounts to pass money directly to heirs without going through probate.
- **Set up a living trust** if you want more control over how assets are distributed.
- **Leave a legacy through giving** — whether that's helping grandkids with college, donating to a cause you love or supporting your community in retirement.