Life insurance tackles numerous needs at different stages of your life. With increased income and a much higher standard of living, it becomes crucial to maintain the most suitable insurance protection for you and your family. However, you need to be careful that you do not own excessive insurance. To cut premium costs, it is always a good idea to get a rider at economical rates. Riders provide several kinds of insurance protection. Of course, for that you have to meet the rider’s outlined conditions.

In this article, we will delve into various types of riders and discuss the ways they can drastically affect the way you buy life insurance.

**What is a rider?**

Riders are the additional benefits that can be bought and added to a basic insurance policy. These options allow you to increase your insurance coverage or limit the coverage set down by the policy. Riders can be blended, for an additional cost, according to your present and future insurance needs. However, buying a rider means paying an extra premium for this supplementary benefit. Generally, this premium is low because relatively little underwriting is required.

When a claim for the benefits of a rider is made, it can result in the termination of the rider, while the original policy continues to insure you as usual.

Please take note that the insurance coverage, premium rates, terms and conditions of riders may differ from one insurer to another.

Here are the most common life insurance riders and what you should know about them:

1. **Guaranteed Insurability Rider (a.k.a Renewal Provision)**

   This rider allows you to purchase additional insurance coverage along with your base policy in the stated period without the need for further medical examination. This rider is most beneficial when there has been a significant change in your life circumstances, such the birth of your child, marriage or an increase in your income. Another advantage is that in case your health state declines with increasing age, you will be able to apply for extra coverage without giving any evidence of insurability.

   Sometimes this rider may also provide a renewal of your base policy at the end of its term without medical checkups. This rider may end at a certain age.

2. **Spouse Insurance Rider**

   As the name suggests, this rider offers term insurance for your spouse for an additional premium.

3. **Accidental Death or Double Indemnity Rider**
This rider pays out an additional amount of death benefit if the insured dies as a result of an accident. Normally, the additional benefit paid out upon death due to accident is equivalent to the face amount of the original policy, which doubles the benefit.

Therefore, upon death due to accidental bodily injury, the insured's family gets twice the amount of the policy. That’s why this rider is called a double indemnity rider. Just make sure that you understand the restrictions on this rider as many insurance companies limit the meaning of the term "accident". If you are the sole income provider for your family, this rider is ideal for you because the double benefit will take good care of your surviving family's expenses in your absence.

4. Waiver of Premium Rider
Under this rider, the future premiums are waived off if the insured becomes permanently disabled or loses his or her income as a result of injury or illness prior to a specified age. Disability of the main bread-earner can have the most crippling effect on a family. In these circumstances, this rider exempts the insured from paying the premium due on the base policy until he or she is ready to work again. This rider can be valuable, particularly when the premium on your policy is quite high. Without this rider, you are at risk of lapsing you. Here too, the definition of the term "totally disabled" may vary from one insurer to another, so you need to be aware of the terms and conditions of this rider.

5. Family Income Benefit Rider
In case the insured dies, this rider will provide a steady flow of income to family members. When buying this rider, you need to determine the number of years your family is going to receive this income benefit. The merit of having this rider is obvious: In case of death, the surviving family will face fewer financial difficulties thanks to the regular monthly income from the rider.

6. Accelerated Death Benefit Rider
An insured person can use the death benefits under this rider if he or she is diagnosed with a terminal illness that will considerably shorten the insured's lifespan. On the whole, insurers may advance 25-40% of the death benefit of the base policy to the insured. At this juncture, you need to know that insurance companies may subtract the amount you receive, plus interest, from what your beneficiaries may receive on your death. This may eventually reduce the death benefit under the policy. Most often, a small amount of premium or, in some cases, no premium is charged for this rider. Different insurers come out with different versions of the definition of "terminal illnesses", so better check what the rider has to offer before opting for it.

7. Child Term Rider
This rider provides a death benefit in case a child dies before a specified age. After the child attains maturity, the term plan can be converted into permanent insurance with coverage multiplying up to five times the original face amount without the need for medical exams. (To read more about child term rider, see Protect Your Kids and Pets with Custom Insurance.)
8. Long-Term Care Rider
   In the event that the insured’s bad health compels him or her to stay at a nursing home or receive home care, this rider offers monthly payments. Although long-term care insurance can be bought individually, insurance companies also offer riders that take care of your long-term care costs.

9. Return of Premium Rider
   The main aim of this rider is to give back most of the premium that you put into your policy. Under this rider, you have to pay a marginally premium and at the end of the term, your premiums are returned back in full. In the event of death, your beneficiaries will receive the paid premium amount. Insurers sell this rider with many variations so verify, the phrasing of the rider before you buy.

   Besides the above, there are loads of other riders on the market. Get your insurance advisor to analyze your circumstances and then pick the right kind of rider accordingly.

Conclusion
   Buying insurance can be complicated and confusing, but understanding the provisions of your insurance policy are your responsibility. Your insurer may not give you the liberty to modify your insurance policy according to your individual needs, but riders empower you with much-needed control over your ever-changing life situations. So sit down with your insurance advisor to evaluate the benefits of the rider and buy the one that is best-fitted for you and your family.

http://www.investopedia.com/articles/pf/07/life_insurance_rider.asp