

How much life insurance coverage do I need?



CHOOSING THE BEST LIFE INSURANCE SOLUTION

Are all life insurance products and carriers the same? In this segment I will address this question from a term life insurance perspective.

When considering a term life insurance solution, typically the amount and term of life insurance become the primary factors one will consider. An example would be \$500,000 of life insurance benefit for a period of 30 years. So, if each carrier is offering the same benefit and term, what should I consider to choose the best option for me? The first criteria most of us would review is cost. And there is nothing wrong with that. But I would like to share additional criteria to review that can help in choosing the best company for you.

→ UNDERWRITING CRITERIA

Health conditions, prescriptions, height and weight, and family history will influence which company may be the best fit. Underwriting criteria can and will be different between carriers. For example, your height and weight can determine which carrier may be the lowest cost for you. If you have had cancer and received treatment, that's another example of one carrier being a better choice over another carrier.

→ THE APPLICATION PROCESS

Simply said, some carriers are more efficient than others. Some carriers utilize technology to enhance the client experience with electronic signatures. The complete transaction can be accomplished without ever being face to face with an agent or medical person. If you prefer a paper transaction, then certain carriers will be a better choice for you.

→ FINANCIAL STRENGTH

Life Insurance carriers are rated by several independent organizations. AM Best is one of those, and a life insurance company will voluntarily submit to the AM Best rating process.

How are insurance ratings determined? Some of the key factors that are used to determine an insurance company's rating include financial reserves, claims payment history, business focus, company structure, and management style.

THE SCALE INCLUDES SIX "SECURE" RATINGS:

- A++
- A+ (SUPERIOR)
- A
- A- (EXCELLENT)
- B++
- B+ (VERY GOOD)

→ PRODUCT FEATURES

There are product features that can differentiate one product from another. Grace period, conversion options, riders and endorsements, premium payment flexibility and what happens at the end of the term.

In summary, all life insurance carriers and products are not the same. A professional licensed agent can assist you in matching your unique personal traits with the best overall solution.



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