

Factors Affecting Life Insurance Premiums And Qualification

You might never have really thought about what it takes to qualify for a life insurance policy or what affects the premiums you pay. By the time you get around to figuring it out it could be too late. Here are the most important factors that go into determining what you will pay for your life insurance coverage as well as whether or not you will even qualify.

Your Age

The older you are, the more you will pay for life insurance. When you take out a policy at a younger age, the company expects that you will be paying the premiums for a much longer time period, and therefore your monthly payments will be smaller. The older you get, the shorter the time period during which they can expect to receive payments from you. This means they will increase the premiums accordingly. Your age also has an impact on your health. The older you are the more likely it becomes that you will develop a serious health condition that could make it even more likely the company will pay out on the policy.

Your Health

Everything about your health will be taken into consideration when you apply for a policy. Most companies will require at least a questionnaire filled out, if not a visit from a doctor or nurse to check up on your overall health. This includes things like your weight to height ratio to determine if you are overweight, blood tests to check cholesterol and look for serious illness, and sometimes more. They will ask about your lifestyle as well as smoking, drug, and alcohol use. Even what seems like a minor health issue can result in a higher premium amount, because it could develop into something more serious later on.

Your Occupation And Hobbies

If you have a dangerous occupation such as a firefighter, or engage in potentially dangerous activities like certain sports, this can affect your eligibility for life insurance as well as your premiums. When you put your life in danger either at work or at play, the insurance company sees a higher risk of paying out on the policy. In some cases they may deny you altogether simply based on the activities you engage in regularly.

These are some of the major factors leading to insurance company decisions regarding life insurance premiums and whether or not you qualify. Some of them can't be changed, while others can-and you should take them all into consideration if you want to get the best rate on your policy.