

Count Down to 2008; LIFE Foundation Reviews Top Life Insurance Trends for the New Year

by PR-NewsWire

ARLINGTON, Va., Dec. 12 /PRNewswire/ -- As the end of year approaches, it'll soon be time to think about how you can enhance your financial plan for 2008, keeping in mind that there may not be a better time to purchase life insurance. Decreasing life insurance premiums, innovative product enhancements and upcoming changes in underwriting make it an ideal time to put financial security at the top of your New Year's to-do list. "As costs continue to go down and the number of product options available increase, there is no longer an excuse for not having adequate life insurance coverage," says David F. Woods, CLU, ChFC, president of the Life and Health Insurance for Education. "In the New Year, Americans should really look to take advantage of these trends and work with a qualified insurance professional to ensure they are selecting the best possible coverage to fit their specific needs."

To help consumers start the New Year off right, the non-profit LIFE Foundation reviews four key trends it hopes will encourage more Americans to get the life insurance coverage they need in 2008:

Life insurance premiums continue to decrease -- "About three-fourths of Americans think life insurance is too expensive to fit into their family budget, but the reality is that that's no longer the case," says Woods. Industry experts say that term life insurance premiums have reached an all-time low, in part due to people living longer and increased competition among companies. Permanent insurance has also seen a slight decrease in cost. However, Woods notes that Stranger Originated Life Insurance products (STOLIs) could have an adverse effect on pricing if companies decide to raise premiums for older insured's in an effort to offset the potential influx of guaranteed payouts happening around the industry. Consumers should take advantage of these current low rates, whether to purchase more coverage or even qualify for lower rates on the coverage they already have. LIFE's online calculator (www.lifehappens.org/howmuch) can help people get started evaluating how much life insurance they need.

Term life insurance maintains popularity, with whole life close behind -- Because of its affordability, term life insurance continues to be the product of choice for many Americans, especially young families. According to LIMRA International, industry-wide sales for term life insurance policies increased eight percent from 2006 to 2007. The current volatility in the stock market means that Americans are seeking more stable, guaranteed products. Whole life policies have gained traction among those who are looking for something permanent and predictable over products such as variable life, whose benefits vary depending on the stock market's performance. In 2008, consumers will continue to have a multitude of choices for finding the right life insurance policy to fit their needs and can access LIFE's online decision guide at www.lifehappens.org/whatkind to get started.

New combination products offer consumers more options -- Industry experts agree that combination insurance products will continue to gain popularity among consumers and insurance carriers in 2008. For example, many consumers approaching retirement are demanding lifetime products that include long-term care features. According to LIMRA International, many insurers have already begun selling life insurance or annuities with long-term care benefit riders. Therefore, in the coming year it will be even more critical for consumers to work with a qualified insurance professional who can navigate the various options available and find the best product to suit their needs.

Changes in underwriting make obtaining life insurance easier -- Until recently, it was difficult to purchase life insurance if you had a history of medical problems, but advances in medical treatment and research are making it easier to qualify for life insurance. Some insurers have and continue to lower their rates for people with various medical conditions. As doctors and researchers develop more efficient ways to track the potential for long-term survival, patients who have had various forms of cancer, diabetes and heart disease are finding they can become eligible for life insurance policies. Consumers should contact various insurers to compare rates and should keep in mind that the more information consumers can provide about their medical history, the better.

For additional information about these topics or to speak with a LIFE expert about industry trends, visit www.lifehappens.org.

About LIFE

The nonprofit Life and Health Insurance Foundation for Education (LIFE) was founded in 1994 in response to

the public's growing need for information and education on life, health, disability and long-term care insurance. LIFE also seeks to remind people of the important role insurance professionals perform in helping families, businesses and individuals find the insurance products that best fit their needs. To learn more about these topics, please visit www.lifehappens.com.

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