

What Factors Determine Term Life Insurance Rates

Term life insurance policies provide a limited coverage period, which is determined by the policy owner. Term life insurance rates are actually the cheapest form of life insurance, but there are different rates for different people. This is because once the term of the policy is up you don't receive any payout from the policy. If you take out life insurance at a young age, you will get much better term life insurance rates than if you wait until you are older.

The total cost of your term life insurance rates can be tricky. Some term life insurance policies appear to cost more, but may, in fact, be cheaper when you look at the total cost of the term life insurance policy. For example, annual renewable policies increase your premiums every year and thus may appear to be more expensive than level term policies where the premiums never increase (although the initial premiums for a level term policy will be higher). But, in fact, level premium policies may involve higher costs over the policy's full term, and become particularly expensive when you try to renew your policy at the end of the term. This is why you do have to compare term life insurance quotes.

Some of the factors that influence your term life insurance rates are:

? Whether or not you smoke. Tobacco users are twice as likely to die as non tobacco users while they are insured. Life insurance companies take this into account when they set their premium and cash benefits levels. You can save from 20% to 30% on premiums by quitting smoking.

? Medical Record. If you have a terminal illness, it is unlikely that any life insurance company will issue a policy. In the case of heart disease, you will get a policy but your rates will be high

? Occupation. if you work in a dangerous occupation, such as working on a ship that carries gas, this will put you into a higher bracket when it comes to getting rates for term insurance. You will have to shop around to compare term life insurance quotes if you are in this category.

Term life insurance rates vary a lot, and you can do something about your premiums by taking some decisions to become more healthy, like giving up smoking.

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About the Author

For a website totally devoted to Life Insurance visit Peter's Website Life Insurance Answers at <http://www.life-insurance-answers.com/> and find out about Life Insurance as well as Cheap Life Insurance at <http://www.life-insurance-answers.com/cheap-life-insurance.html> and more, including Online Life Insurance, Term Life Insurance and Life Insurance Agents.