

Eight Ways for Canadians to Lower Life Insurance Costs

Source: Business Review Canada

August 21, 2012

There are number of factors that impact your life insurance costs. The average Canadian spends close to \$58 per month (approx. \$700 annually) on e.g. Term Life insurance, which is a significant cost block. This article lays out the main approaches that can be taken to lower your life insurance costs.

It is important to understand what you can do both before and after you purchase your Life Insurance Policy to keep your premiums low without affecting your coverage.

Certified Life Insurance agent, Zael Miransky, from Miransky Wealth Management (Toronto, Ontario) elaborates on the key levers that help to reduce life insurance costs.

You PLAN to get life insurance: What can you do to lower the costs?

Aside from the standard advice to shop around and get multiple quotes, there are number of things that you can do to get lower insurance quotes from life insurers, advises Zael.

1. **Apply for the policy while you are young**– most Canadians apply for life insurance in their early-to-mid thirties when they are getting engaged or married, or begin having children. Applying for the policy even earlier will often get you better rates in return. According to InsurEye data, Canadians pay an average of \$40 per month for a Term Policy with a similar coverage (\$250-500k) if they are 31-35 years of age, \$47 per month if they are 35-40 years of age, and as much as \$64 if they are 51-55 years of age.
2. **Be healthy**– when applying for the policy. Many insurance customers pay 25% more for their Life Insurance Policy because they are overweight. Staying in shape and maintaining a healthy lifestyle will not only eliminate this extra portion of the costs, but in addition can also result in a discount of up to 25%.
3. **Stop smoking**–well in advance of applying for a life insurance policy. Insurers will expect to see at least one year without smoking in order to be granted the standard premiums. Otherwise, prepare yourself for premiums that are nearly DOUBLE.
4. **Drive safely**– Maintaining a clean driving record will be rewarded not only by your auto insurer, but also by your life insurance provider. You can avoid an extra 25-50% of additional costs that result from a poor driving record. Having a flawed driving record with several at-fault accidents can even lead to declining coverage by life insurance companies.

You ALREADY HAVE a life insurance policy: How do you lower its costs?

Surprisingly, many people are not aware of the ability to lower their life insurance costs AFTER purchasing a life insurance policy. The key is to improve your own risk profile, thus, making it less risky for the insurance company. Below are four simple approaches to do it:

1. **Stop smoking**– If you are able to demonstrate that you gave up smoking and have not returned to it for at least one year, you may lower your insurance costs.
2. **Stop drinking**– Decreasing your alcohol consumption will positively impact your insurance budget and after one year it will be time to talk to your insurance provider. Having a few glasses of wine each week is not a problem; however, drinking three to four beers a day will not reduce your rates.
3. **Lose weight**– Improving your physical fitness and health condition can be positively reflected in your life insurance premiums. You not only have the opportunity to reduce your premiums to the normal level, but can also qualify for a 'Premium Health Customer Discount' of up to an additional 25% off your life insurance premiums.
4. **Keep driving safely** – If you received your life insurance policy with a poor driving record, there is a good chance it has increased your life insurance rates by as much as 25% to 50%. If your offenses are three or more years old, these do not concern insurers anymore and you can get your life insurance premiums adjusted accordingly.

If you are interested in learning about the experiences that other Canadians have had with insurance companies, please visit [InsurEye Consumer Experience](#), an independent platform for consumer insurance reviews. This tool covers most life insurance products and is free for all Canadians.

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[InsurEye Inc.](#) is a Canadian company that provides independent, innovative online services to help consumers better understand and manage their insurance.

Source: http://www.businessreviewcanada.ca/money_matters/eight-ways-for-canadians-to-lower-life-insurance-costs