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How Life Insurance Is Changing for the Better

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Protecting your loved ones from the financial loss of your life is vital.

You may think the topic of life insurance is too boring to think about much, beyond deciding whether you need to buy some. But you'd be wrong -- because there have actually been some interesting developments in life insurance lately. Read on to learn why you should investigate the many options available these days.

[To buy or not to buy](#)

Let's not proceed any further, though, without addressing the question of whether you should, because it's extremely important. The possibility that we might die prematurely is not something most people want to consider, but that doesn't make it any less of a possibility. Thus if anyone depends on your income for any reason, you should look into protecting that income stream. This obviously applies to couples and to parents of non-adult children, but it can also apply to those who help support their parents (or who might one day be expected to) or nephews and nieces. Think, too, of anyone who has cosigned any loan for you, such as your parents, who may have helped you with school loans or a mortgage. If you expire ahead of schedule, you don't want to leave them stuck with repayments.

The benefits of longevity

So what's new in the field? For starters, many prices are falling, for a variety of reasons. People are living longer, for one thing, which makes them likely to be paying premiums for longer, less likely to die during the period covered in a term life policy, and likely to die later in a whole life policy, thereby delaying the insurer's eventual payout. This has boosted profits for insurers, but it has also led to some lower prices for buyers. Life expectancy in the U.S. has been hitting record highs lately, reaching 78.8 in 2012, up from 77 in 2000, 73.7 in 1980, and 59.7 in 1930.



Live long and prosper, and insurers will be happy along with you.

Technological advances

Another factor is that in our modern age, many of us research purchases online before making them. With quotes from multiple insurers now easily and immediately available, the pressure is on for insurers -- especially those offering term insurance -- to offer competitive rates. **According to Brian Greenberg of True Blue Life Insurance**, "since the mid-1990s, policy rates are lower by up to 70%." Technology doesn't just benefit customers, though. Remember that those who find and secure good rates online are saving sales representatives time and lowering administrative costs.

No exam needed

Another development is that more policies are being offered to customers without requiring a medical examination -- and that's good news for those who don't want to bother with one or who worry they won't fare well. However, such policies typically cost more and are generally more limited in scope, not willing to insure you for great sums without an exam. Given all that, depending on your needs and situation, it might be worth going through the examination for a lower rate.



You don't need to have a medical exam before securing some life insurance policies.

[Instant protection](#)

If you're in a hurry to get coverage, some plans now offer you approval within 24 hours. These applications involve looks at records such as your driving history and even your pharmaceutical records, seeing what prescriptions you've been filling lately.

It's worth noting that you shouldn't pursue these policies lightly, because if your application is denied, that will go on record in a database accessed by a host of insurers. It won't doom you with every other insurer, but it can be viewed as a red flag by many.

[Early access to money](#)

By virtue of a special rider, policies known as hybrids can offer the insured early access to the death benefit to help pay for their long-term care if they become chronically ill. "Chronically ill" refers to those who can't perform necessary daily tasks (such as bathing) and those who suffer from cancer, blindness, paralysis, heart attacks, strokes, and more.

[Over the phone or online](#)

Finally, more policies can be bought without having a face-to-face interaction with an insurance agent, as online or over-the-phone applications are growing in number. This can be a plus for those with busy schedules. Still, proceed with caution. Don't offer your personal information online or over the phone unless you're sure that you're at a legitimate and secure website or talking to a legitimate sales representative.

The life insurance industry is more consumer-friendly than ever. Given the many options available to you, there's little reason not to shop around if there's a chance your loved ones may someday need protection.

The \$60K Social Security bonus most retirees completely overlook

If you're like most Americans, you're a few years (or more) behind on your retirement savings. But a handful of little-known "Social Security secrets" could ensure a boost in your retirement

income of as much as \$60,000. In fact, one MarketWatch reporter argues that if more Americans used them, the government would have to shell out an extra \$10 billion... every year! And once you learn how to take advantage of these loopholes, you could retire confidently with the peace of mind we're all after. [Simply click here to receive your free copy of our new report](#) that details how you can take advantage of these strategies.

Longtime Fool specialist [Selena Maranjian](#), whom you can [follow on Twitter](#), has no position in any stocks mentioned. She suspects that Methuselah's life insurers did quite well. The Motley Fool has no position in any of the stocks mentioned. Try any of our Foolish newsletter services [free for 30 days](#). We Fools may not all hold the same opinions, but we all believe that [considering a diverse range of insights](#) makes us better investors. The Motley Fool has a [disclosure policy](#).