

## **FACTORS AFFECTING THE NEED OF LIFE INSURANCE**

A great way to help and protect your loved ones, is with Life Insurance which can be a huge investment as well. A lower need paid can yield to a good amount of savings over a period of few years. Life insurance are based on a number of factors. There are some factors that many insurance companies consider when pricing their policies, there factor may not be within your control. But the life choices you make, can also lead to the factors that can affect your Life Insurance.

The factors that affect need of Life Insurance are:

1. **Age**: This is an obvious and not surprising factor that affects your Life Insurance need, the age of the policyholder. If you're young, the rates will be lower in comparison to someone older. The possibility of a young individual contracting a life threatening disease or to pass away in their youth is very unlikely.
2. **Gender**: Insurance companies aren't against gender equality, but they believe there is a different life expectancy for different genders. As per the studies and statistical findings, women are believed to live 5 years more than men at the minimum. Therefore, affecting the need, companies making them pay the need for a larger period of time but at lower rate which is a plus point for the women.
3. **Smoking**: Smoking puts the policyholders at higher risk of all ailments, so if you're a smoker that that's as good as raising a red flag to the insurance companies. Most smokers pay a need twice as much as non - smoker does, thus affecting the need to a huge extent.
4. **Medical history**: There's isn't much one can do with the gene pool they come from. If a policyholder has a medical history of serious illnesses like cancer, heart diseases, or any other, then that makes them susceptible to get these from a hereditary perspective. Which increases the individual's need by a larger margin than if their gene pool wasn't.
5. **Health records**: You as the policyholder will also need to provide your own health records. These records will ensure that you don't have any chronic diseases or potential health issues and keep your need also in check instead of making a difference to it.
6. **Drinking**: Drinking of alcohol is injurious to health in more ways than one. If you as the policyholder are a heavy consumer of alcohol this can affect your need at higher insurance rates. Insurance companies ensure to ask the applicant if they are smokers or drinkers.
7. **The Policy**: The policy itself also affects the need you pay, the longer the tenure of the policy the larger the amount of the benefit at the time of death, since you're paying it for that period of time. Short term policies are more expensive that long term.

8. **Profession:** Your profession also plays an important role in the need you end up paying, any policyholder working in the mining industry, oil and gas, fisheries or any other dangerous profession increases the need for life insurance and you pay for the policy you decide to take.
9. **Lifestyles choices:** Many insurers have a higher need for people who love to takes risks for the thrill of it. Like speeding cars, climbing treacherous mountains or other high risk activities. Thereby increasing your need to substantially more than other.
10. **Obesity:** Obesity is another factor that affects your need as a policyholder, being obese can lead to a number of health problems like Osteoarthritis, High Blood Pressure, Cancer, Stroke, Coronary Heart Disease, causing overall health problems in the future and also increases your need.