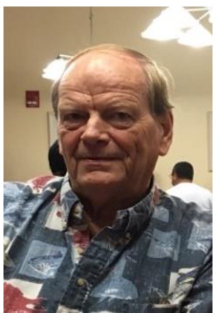
Life Insurnace for Seniors



My Drift

Title: Life Insurance for Seniors
Written By: Jerry D. Petersen
Date: 1 Feb 2022
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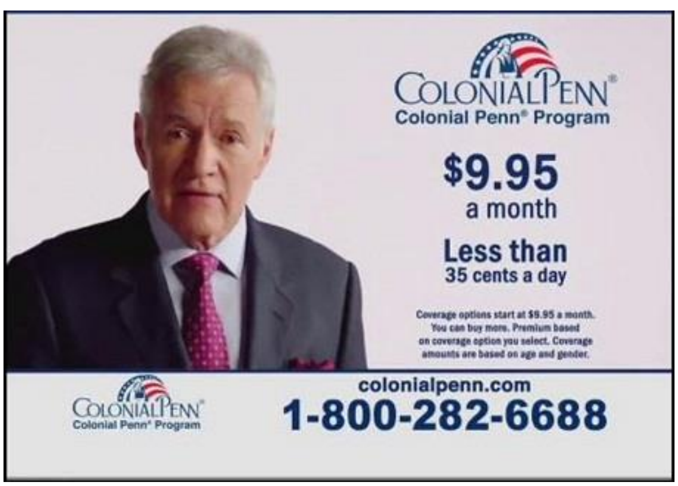
You're flipping channels, trying to find something to watch, when an old familiar face comes on the TV. You reminisce about the days you watched Jeopardy! as Alex Trebek's familiar voice fills your home. Alex is telling you about this great insurance for seniors ages 50 to 85 for just $9.95 a month. You continue to watch, intrigued, as to what he's offering.



"For just $9.95 a month… Less than 35 cents a day… Benefit never ends… Premiums cannot go up… Guaranteed acceptance… No medical exams… No medical questions"

Maybe he's selling what I need, you think. If you can't trust Alex Trebek to tell you the truth, who in the world can you trust?

Well, I could use some life insurance, you think. And for just $9.95 a month!

"I can make that work, Alex," you tell the TV as you turn up the volume and pay a bit closer attention.

Life insurance coverage without any health or medical questions is called guaranteed issue life insurance because you're guaranteed coverage no matter what.

Sounds great, right? But of course, there is a catch…

With guaranteed issue life insurance, your beneficiary doesn't get the death benefit if you die within the first two years of the policy. If you die in the first two years, your beneficiary will get the value of premiums paid.

What your old friend isn't telling you is what's in the fine print. Colonial Penn offers life insurance sold in a way that most don't offer - per unit. And while Colonial Penn wants you to think it is a good deal, it's a lot further from the truth than you think.

Just what is Alex trying to sell you and why you might not want it?

You have lived long enough to know that if it SOUNDS TOO GOOD TO BE TRUE, it probably is.

The primary thing people want to know is, how much insurance do I get for $9.95 a month? What the heck is a Unit? Checkout table on next page.

If you want to view a couple of Alex Trebek's TV commercials, CTRL Click on the following URLs:

Colonial Penn TV Spot, 'Rate Lock Guaranteed' Featuring Alex Trebek - iSpot.tv

Colonial Penn TV Spot, 'The Three Ps' Featuring Alex Trebek - iSpot.tv

Here is a copy of Colonial Penn's 995 Insurance Plan Unit Value Table:

Age	1 Male Unit ($9.95)	1 Female Unit ($9.95)
50	$1,786 in coverage	$2,083 in coverage
51	$1,732 in coverage	$2,068 in coverage
52	$1,676 in coverage	$2,022 in coverage
53	$1,621 in coverage	$1,973 in coverage
54	$1,562 in coverage	$1,929 in coverage
55	$1,506 in coverage	$1,884 in coverage
56	$1,452 in coverage	$1,838 in coverage
57	$1,392 in coverage	$1,786 in coverage
58	$1,333 in coverage	$1,732 in coverage
59	$1,273 in coverage	$1,676 in coverage
60	$1,214 in coverage	$1,621 in coverage
61	$1,157 in coverage	$1,562 in coverage
62	$1,099 in coverage	$1,506 in coverage
63	$1,043 in coverage	$1,452 in coverage
64	$987 in coverage	$1,392 in coverage
65	$932 in coverage	$1,333 in coverage
66	$880 in coverage	$1,273 in coverage
67	$834 in coverage	$1,214 in coverage
68	$792 in coverage	$1,157 in coverage
69	$753 in coverage	$1,099 in coverage
70	$717 in coverage	$1,043 in coverage
71	$683 in coverage	$987 in coverage
72	$652 in coverage	$932 in coverage
73	$620 in coverage	$880 in coverage
74	$589 in coverage	$834 in coverage
75	$560 in coverage	$792 in coverage
76	$531 in coverage	$753 in coverage
77	$503 in coverage	$717 in coverage
78	$477 in coverage	$683 in coverage
79	$450 in coverage	$652 in coverage
80	$426 in coverage	$620 in coverage
81	$424 in coverage	$589 in coverage
82	$423 in coverage	$560 in coverage
83	$421 in coverage	$531 in coverage
84	$420 in coverage	$503 in coverage
85	$418 in coverage	$477 in coverage

Here are a couple of examples:

Example 1. You are a 68-year-old male looking to get $15,000 in life insurance coverage for your final expenses. Well, in this case, one unit is $792 per $9.95 each month. Unfortunately, the maximum number of units you can purchase through Colonial Penn is 12. This means the maximum a 68-year-old male can purchase is $9,504 (12 x 792) in life insurance coverage with a monthly premium of $119.40 (12 x 9.95).

Example 2. Me. At this writing, I'm 81.5 years old so a unit of life insurance is $423.50. The maximum life insurance I can buy is $5082. (12 x 423.50) This insurance will cost me $119.40 a month or $1,431.80 a year. Remember, there is a two-year waiting period, so I will have paid $2,865.60 before benefits kick in. The total time in years it will take for me to have paid the insurance value of $5082 is 3.55 years.

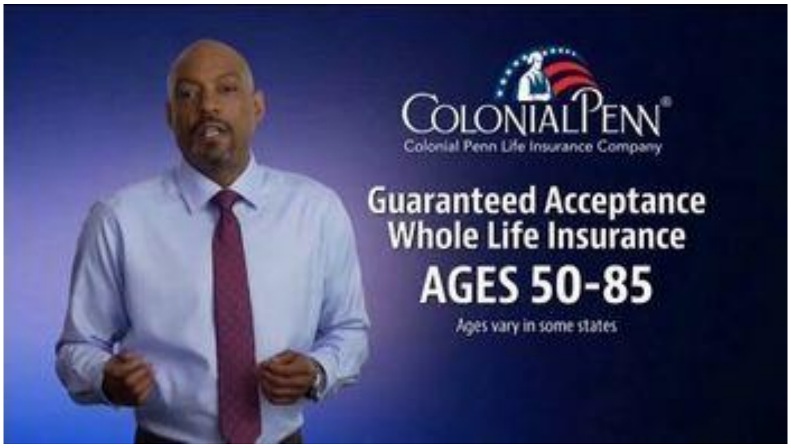
So, I need to die after 2 years and before 3.55 years to come out ahead – Otherwise Colonial Penn makes money on my policy. Yes, Colonial Penn is betting I don't die during that 1.55-year window where they would lose money. That is a good bet for them and a bad bet for me and my beneficiary.

I don't want more insurance. I have enough for my final expenses. Besides, I can't afford any more insurance. But, if I didn't have any life insurance and I wanted to make sure my family had money for my end-of-life expenses, I would be much better off putting $100 a month in my savings account.

So, while Alex was willing to sell you some cheap guaranteed issue life insurance, Colonial Life doesn't want you to know what's in that fine print. What was Alex Trebek thinking?

Sadly, Alex Trebek died on 8 Nov 2020 at age 80. Trebek was born one day before me on 22 Jul 1940. His salary for hosting Jeopardy! was 10 million dollars for the year 2020. I'm pretty sure he didn't need the extra money from his part-time job as a spokesman for Colonial Penn Life Insurance. He hosted Jeopardy! for 37 seasons (8,000+ shows) and I probably saw most of them. I still watch Jeopardy! twice a day and enjoy this game show.

After Trebek died, they quit showing his Colonial Penn Life Insurance commercials. The new spokesperson is Jonathan Lawson who works for Colonial Penn and has been an insurance agent for over 15 years. His message is almost the same as Trebek's.



Jonathan Lawson

Ctrl Click on the following URL to watch and listen to Jonathan:

https://www.ispot.tv/ad/qfgc/colonial-penn-the-three-ps-life-insurance

Colonial Penn has about 15 million 995 plan customers, so all these commercials are working. This insurance might be okay for some people but at least we now know what is in the fine print. If you're in congestive heart failure, on oxygen, or terminally ill, it might be okay to gamble that you will live the next two years. But, for the vast majority of Americans, it's probably not the best option.

As we are going to learn, there are not many good options for older seniors when it comes to getting life insurance.

Let's learn a little bit more about life insurance in general

What is Life Insurance and How Does it Work?

Life insurance is a contract between you and an insurance company to provide you with coverage based upon your timely payment of premiums. Life insurance provides a death benefit to your named beneficiary (usually a spouse) upon your death. When you pass away, your beneficiary files a claim with the insurance company to submit proof (a death certificate) of your passing. If there is a licensed insurance agent who usually works with your family, your beneficiary can contact the licensed insurance agent who will help him or her complete the necessary paperwork. Or your beneficiary can contact the insurance company directly and a claims representative will instruct him or her on what to do. After the insurance company receives all the documents, then your beneficiary will be issued the death benefit payout.

Types of Life Insurance

There are two major types of life insurance—term and whole life. Whole life is sometimes called permanent life insurance, and it encompasses several subcategories, including traditional whole life, universal life, variable life and variable universal life.

Term

Term Insurance is the simplest form of life insurance. It pays only if death occurs during the term of the policy, which is usually from one to 30 years. Most term policies have no other benefit provisions. There are two basic types of term life insurance policies: level term and decreasing term. Regardless, your policy has no value at the end of the term.

Level term means that the premium and death benefit stays the same throughout the duration of the policy.

Decreasing term means that the value of the death benefit drops, usually in one-year increments, over the course of the policy's term.

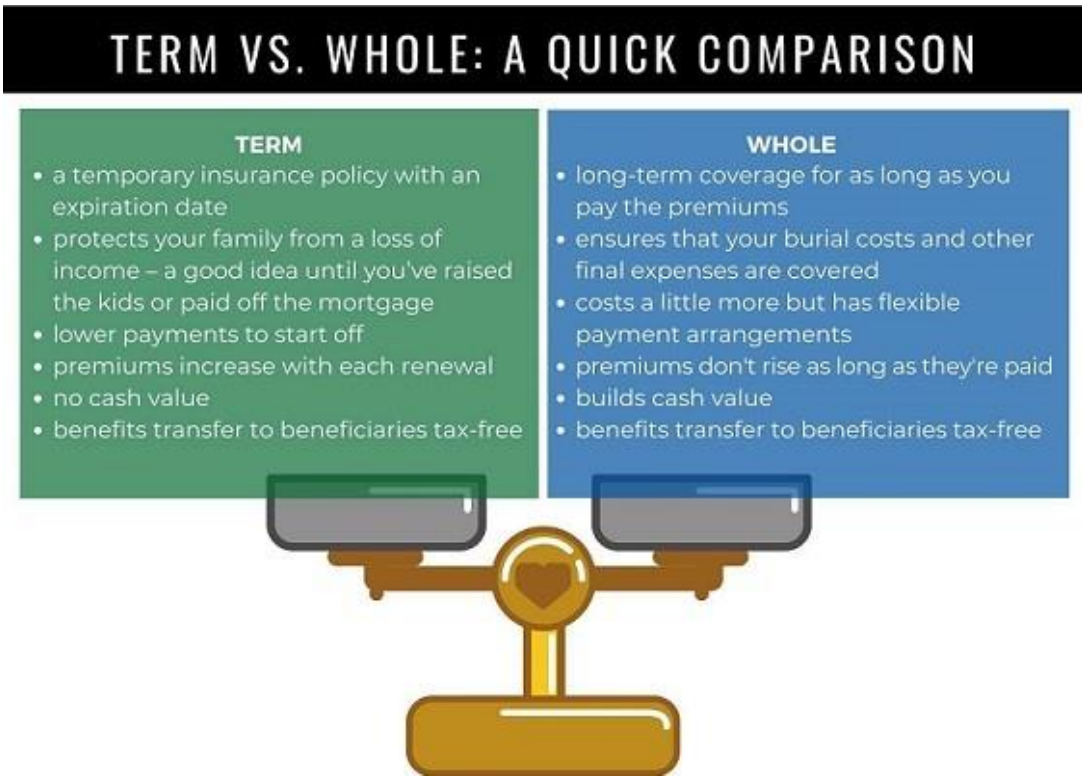
Whole life/permanent insurance

Whole life or permanent insurance pays a death benefit whenever you die—even if you live to 100! There are three major types of whole life or permanent life insurance—traditional whole life, universal life, and variable universal life.

In the case of traditional whole life, the premium and death benefit are designed to stay the same (level) throughout the life of the policy.

Universal life insurance and variable universal life insurance. Variable life insurance is a type of permanent life insurance with a cash value and with investment options that work like a mutual fund. Universal life insurance is a type of permanent life insurance with a cash value that grows based on the current interest rate set by the insurer.

Final expense insurance is a whole life policy that is designed to pay medical bills and funeral expenses when you die. The Colonial Penn 995 Plan is this type of life insurance.



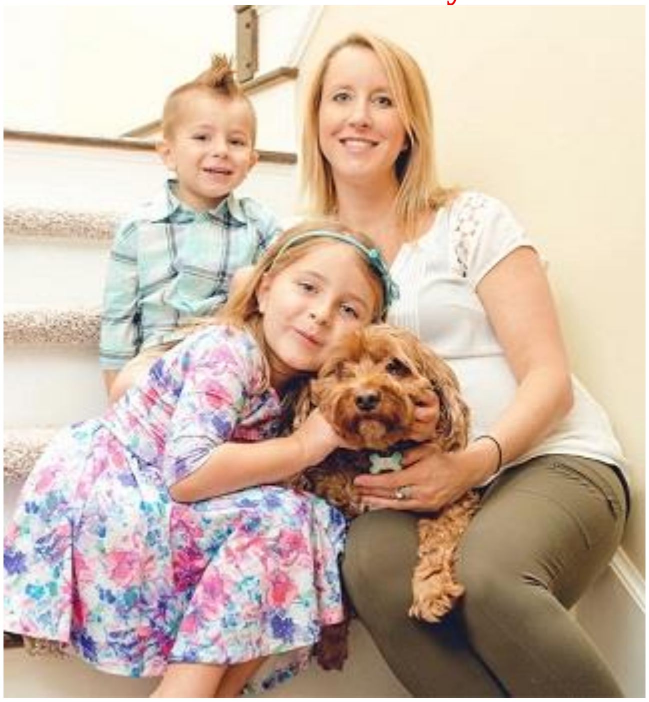
Factors that determine your premium rate

The younger and healthier you are, the less you will pay. Age is typically the most important factor in calculating your premium rate. Other factors include:

- **Gender—females get lower rates because of longer life expectancy**
- **Answers to health questions on the policy application**
- **Results from medical exam and lab work**
- **Family medical history**
- **Marital status**
- **Where you live**
- **Lifestyle—smoker/nonsmoker, alcohol consumption, risky hobbies like skydiving**

Life insurance isn't for the people who die. It's for the people who live.

A Real Life Story



The Kovacic Family

Michael Kovacic, 32, was a fit and healthy family man. As he left to run a 10K race, he kissed his wife, Traci, good-bye along with newborn Calvin and "big" sister Josie. He never made it home. As he crossed the finish line, Michael collapsed and died. The Kovacic family would never be the same.

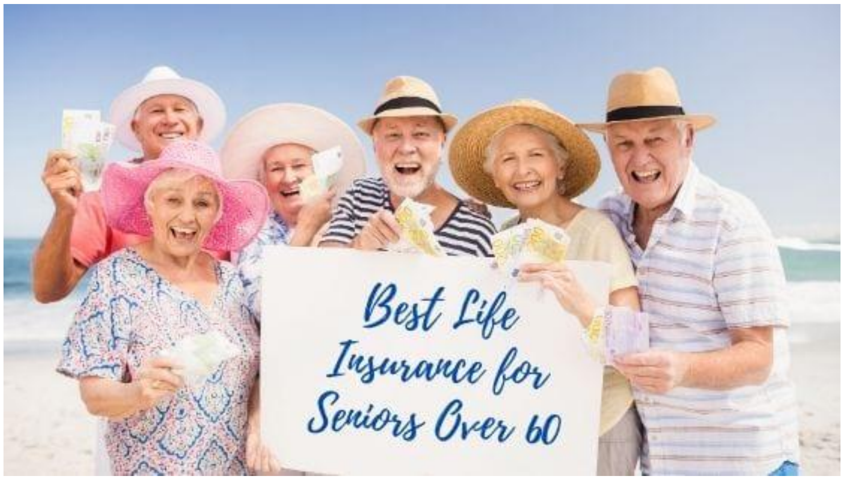
Traci says the hardest part for her was knowing that the love of her life was never coming home. "But the reality is that everything else stayed the same," she says. "The paychecks stopped immediately, but I still had to keep the lights on, buy food, pay the mortgage and take care of the kids. Having life insurance meant I didn't have to make any immediate decisions or sell the house. The life insurance saved us—and it still does today."

Do I need life insurance?

If someone depends on you financially, you are most likely someone who needs life insurance. This is especially true if you are young and married with kids (and a dog) like the Kovacic family.

If you are single with no dependents and have made arrangements for your final expenses, you probably don't need life insurance.

If you are old (a senior), it depends. We will discuss life insurance for seniors below.



Guide to the Best Senior Life Insurance for Seniors

Life insurance is one of the most trusted ways to provide for loved ones after you've passed. But deciding which policy is right for you can be challenging.

What kind of senior life insurance should you have? How much is enough? What's the best life insurance to have at your age?

Life insurance for seniors is different from company to company, can involve taking a medical exam or just answering a few health questions, costs anywhere from $9.95 to several thousand dollars a month, and can be used for everything from paying off large debts like a mortgage or covering small bills like funeral costs. So, it takes some research to find the best life insurance for seniors. Although it's true that you'll pay more for life insurance once you've reached your golden years, that doesn't mean you don't have options. In fact, for those who want to leave cash benefits for their family — or those who want to ensure their final expenses are covered — affordable senior life insurance policies might exist. In this article, we'll cover some of your options – including final expense insurance for seniors – so you can make the right decision.

What is the Best Life Insurance for Seniors? **When looking for the best life insurance, it's important to ask the following questions:**

1. **How much coverage do I need?**
2. **What kind of life insurance should I get?**
3. **What kind of policy is best for my family?**
4. **How much can I afford?**
5. **Can I get approved for the policy I want?**

You can start answering these questions by reviewing your financial situation. For example, do you have a spouse or anyone else who is dependent on you? Do you have large bills like a mortgage or car payment that would need to be paid when you're gone? If anyone in your life depends on you financially, you should consider a policy to protect them from unforeseen costs. Even if you believe your dependents are adequately cared for, life insurance may still be worth considering because your family may need to pay estate taxes, end-of-life medical bills, and burial costs (which can cost $10,000 or more).

Determining how much coverage you need depends on a variety of personal factors, including your marital status, the size of your family, your debts, assets, and your end-of-life goals. If you have life insurance through your employer, the coverage may not be enough and may be reduced or terminated when you retire. You need to check.

Don't forget to factor in other costs as well: funeral expenses, debt repayment (such as your mortgage, car loans, and credit card debt), and any medical bills associated with your passing. Your needs will change as time goes by, so periodically review your policy and check that it meets your financial needs.

Here are some considerations for every major type of policy that will help you choose the best life insurance for seniors.

Whole Life vs. Term Life Insurance for Seniors

When thinking about whether you should buy term vs whole life insurance, you need to keep two things in mind: your age and your budget. Keep in mind that as you age, renewing a term life insurance policy will become more difficult which is why whole life insurance may be a smarter choice for seniors. If you are 75 or more years old, getting term life insurance is almost impossible.

Term Life Insurance for Seniors

Term insurance pays benefits only if death occurs during the term of the policy, which normally less than 30 years depending on your age. Most term policies do not offer any other additional benefits. A healthy 70-year-old man can expect to pay about $435 a month for a ten-year term life insurance policy with a $200,000 death benefit. And healthy women will pay about $250 a month for the same policy. Insurance companies are betting you can live another 10 years and then they probably will not renew your policy.

Whole Life Insurance for Seniors

Whole life insurance pays benefits regardless of when the policyholder dies as long as the policy is still in force. Most whole life policies last for the life of the policyholder and some accumulate cash value that can distribute cash payouts in the form of a loan. Policy loans must be repaid while the policyholder is still alive, or the loan amount will be deducted from the benefit at the time of death.

When buying whole life insurance for seniors, a healthy 65-year-old man should expect to pay about $2,000 a month for a $250,000 death benefit. And a healthy 65-year-old women will pay about $1,500 for the same whole life insurance policy. Most seniors I know cannot afford to pay that much.

You can also choose to buy final expense life insurance for seniors, which is a type of whole life insurance. With it, you can usually avoid taking a medical exam and only have to answer a few health questions on the application. Premiums are significantly lower, so people often consider it one of the best life insurances for seniors. If you decide to purchase this type of plan and want a $10,000 policy, it depends on your age how much you have to pay every month. A 68-year-old man can expect to pay about $280 for a $10,000 policy, while a 68-year-old-women will pay about $200 a month.

Life insurance facts and statistics

- **In 2020, 54% of Americans were covered by life insurance.**
- **The average premium for a male rises 258% between age 25 and age 50.**
- **Gender, age, smoking status, health, medical history and other factors impact your life insurance rates.**
- **A man's average premium is about 12% more per month than a woman's.**
- **The number of consumers who prefer internet sales for life insurance increased from 17 percent in 2010 to 29 percent in 2020.**
- **The most common age group for people to buy insurance is between 35 and 45.**
- **70% of Americans want to buy life insurance that doesn't require a medical exam.**
- **The United States has a total value of $555 billion in life insurance premiums.**
- **METLIFE is the biggest life insurer in the industry in the U.S.**

In 2020, there were 837 companies selling life insurance in the United States. I will bet you that all of these companies made a lot of money. As we will learn below, the life insurance industry is very profitable.

The Life Insurance Industry's Big Secret

Insurance companies make money because more than 90 percent of all life insurance policies lapse.

Buying term life insurance is like renting a home. No matter how many years or decades you pay rent, you get no credit for prior payments if you can't pay this month's rent. If you stop paying your premium, the insurance company will cancel your coverage in 31 days. According to a Penn State University study, 99 percent of all term policies never pay out a claim. Proponents of term life say this is because most people let their policies lapse. But even if you keep your policy in force, you are still "renting," and just one missed payment away from having nothing to show for it.

Most people pay into a term or whole life policy for years, sometimes hundreds of thousands of dollars, and then allow those same policies to lapse -- and the insurance company never pays out a penny. Yes, if the insured passes away, then the company pays a death benefit, but this is a fairly rare occurrence due to the high lapse rates. Some sources suggest that less than one percent of term policies ever result in a death claim. Hundreds of millions of death benefits also go unclaimed by the beneficiaries.

Reasons when life insurance companies will not pay your death claim?

Suicide

Most life insurance policies have a suicide clause. This suicide clause is an incontestability clause, a window of time during which the insurance company can investigate and deny claims. The period is usually two years in most states, and it begins as soon as the insurance policy goes into effect.

The clause protects life insurance companies from people who would take out a large policy and then commit suicide for the "betterment" of their family's financial situation. The thought of doing something like that might seem bizarre to most people, but before the incontestability "suicide clause" went into effect it occurred more often than you might think.

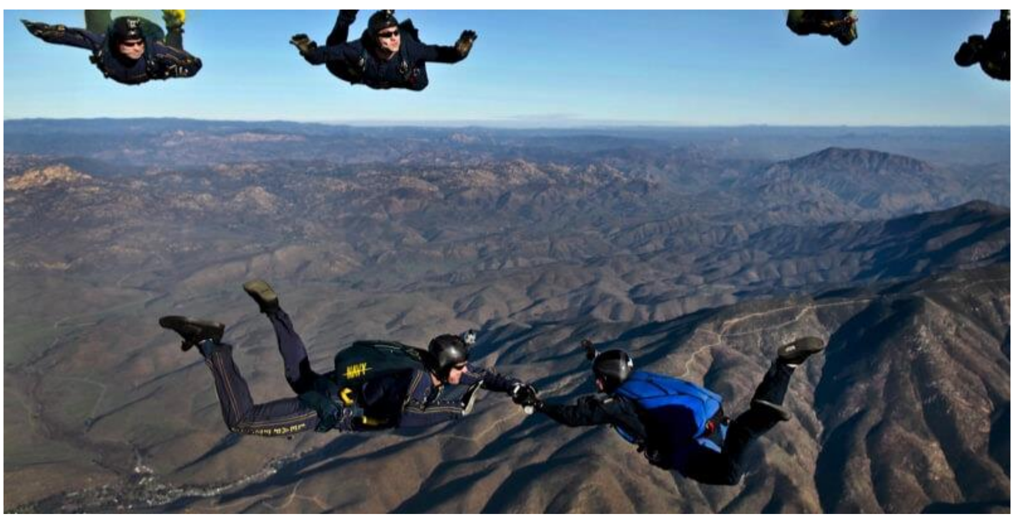
Withholding or Putting False Information on the Application

The insurance company is going to investigate the cause of your death when a claim arises within the first 2 years of the date of issue. You can be sure of that. The first 2 years are called the contestability period.

They will look at the events that led to your death and compare them against your original application. If the company finds that you were less than forthright, or if you somehow forgot to mention that you have a health condition or you were involved in dangerous activities all the way back to the time you applied for coverage and you didn't mention them, it can deny payment on the claim.

Participating in Dangerous Activities

You may have heard of professional athletes having a certain clause in their contract that does not allow them to participate in what are considered dangerous activities. That could be something fairly obvious like skydiving, or even something far more common, such as riding a motorcycle.



The same applies to a life insurance policy. Think about it. Life insurance is all about risk management. If you are jumping out of an airplane with a parachute (that may or may not work) on your back, you're a higher-risk applicant than someone who doesn't engage in that kind of activity. It's best to be honest about your risky hobbies or lifestyle when asked. If you are actively involved in one of the dangerous activities listed on the application, you can still do it, but you will need to pay more to be protected.

Illegal Activities

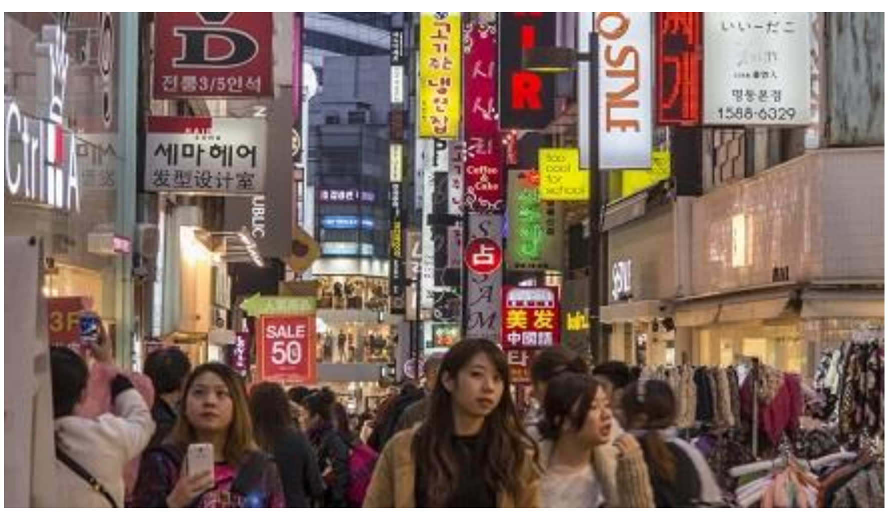
If you die while committing a crime or participating in an illegal activity, the life insurance company can refuse to make a payment. For example, if you are killed while stealing a car, your beneficiary won't be paid.

Okay. That one's fairly obvious. But this next point might surprise you. What if you're doing something illegal and you don't even realize it? Maybe you're walking on private property. Trespassing is a crime — even if you don't know you're trespassing. Let's say you're being chased by a big dog, and you have a heart attack and die. If it turns out that you were trespassing, your claim could be denied.

Additionally, if the policyholder was murdered by the beneficiary, the benefits are typically not paid out – this is known as the "slayer rule".

Living Outside of the United States

Here's one you may not have considered. Let's say you take out a life insurance policy while you're living in the United States, and then you move to another country.



Seoul, South Korea

There could be a clause in the policy that excludes the payment of a death benefit if you are not living in the U.S. at the time of your death. Be sure to look for any mention of this in your contract, especially if you see yourself leaving the U.S. in the near future.

Act of War

Many life insurance policies have an Act of War exclusion. It's not designed to exclude soldiers. Rather, it's in place to deny claims for civilians who are killed in wars or by acts of war, such as journalists whose job takes them into the midst of battle on a regular basis, or people who travel to regions of the world where there's armed conflict.

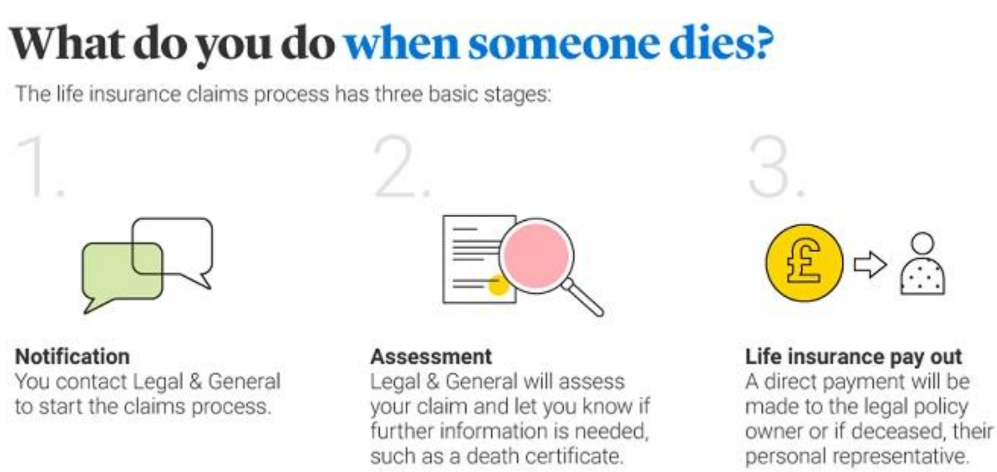
Fraud

When a death claim occurs after the 2-year contestability period, the insurance company must prove fraud to deny a claim. Insurance fraud is a "specific" intent crime. This means the prosecutor must prove that the person involved knowingly committed an act to defraud.

Life insurance is a type of contract, and with all contracts, fraud can void the entire agreement. If you provide material misrepresentations with the intent to defraud or to facilitate fraud, you may also be guilty of insurance fraud, which is a crime.

Do life insurance policies really pay out?

Yes. Life insurance companies pay out the proceeds when the insured dies and the beneficiary of the policy files a life insurance claim. You should be able to collect the life insurance payout within 30 to 60 days after you have submitted the completed claim forms and the supporting documents.



What did we learn in this article?

We learned that it is important to have life insurance if you have a family or someone who depends on you financially.

However, if you want your wife and kids (the beneficiary) to get a lot of money when you die, you need to buy a large life insurance policy and then die at an early age before your policy lapses.

That doesn’t sound like much fun!

Once your policy takes effect, try not to drop dead for at least two years. Some policies will not pay your beneficiary the death benefit if you die within the first two years. With all other policies, the insurance company is going to investigate the cause of your death when a claim arises in the first 2 years which is the contestability period.

So, if you are lucky enough to stay healthy and live long enough to become a senior, getting or just keeping life insurance becomes a problem. Life insurance companies know that old people might drop dead at any moment, and they will have to pay if that old person has life insurance. Life insurance companies don’t want that to happen, so they try to make life insurance unaffordable for most seniors. They raise the rates and reduce benefits to a point where life insurance might not be worth it for some seniors.

Every senior needs to evaluate their own situation.

Do you have enough money to take care of your end-of-life expenses? If yes, you may not need life insurance. If no, how much life insurance do you need and how much can you afford?

We learned that the Colonial Penn 995 Insurance Plan is not as great as it sounds on TV.

Remember, us seniors need to enjoy life during our “golden years”. We need to travel and get out and have a little fun. We need to spend some of our hard-earned money on these things since you can’t take it with you when you die.

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