

**SPECIAL REPORT!**

# **HOW TO AVOID OVERPAYING FOR YOUR TERM LIFE INSURANCE**

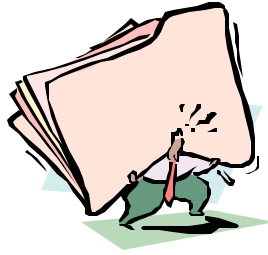


**By Terry Bialek**

**If you haven't reviewed  
your life insurance in a while,  
don't read this report...**

**It will break your Heart!**

# WHY BUSY PEOPLE ALMOST ALWAYS OVERPAY



## FOR THEIR TERM LIFE INSURANCE

Chances are, when you first purchased your current term life insurance policy, it was probably a pretty good deal. However, there is something you should know.

The life insurance industry has undergone sweeping changes with preferred underwriting and rate restructuring. Term insurance rates have dropped considerably since 1996, so if you bought term life insurance in the past, a comparative analysis could save you a lot of money.

Most busy people, like yourself, buy a policy, throw it in a drawer and forget about it.

Since you rarely have time to review your coverage, you probably never even noticed the scheduled price increases as you got older.

One of the biggest money saving tips that I have to offer you is... you must make a habit of reviewing your policies at least every two years. This one step alone could prevent hundreds, possibly thousands of your hard earned dollars from flying right out the window.



Which brings up a very important point.

### Life insurance rates are all about the same, right?

WRONG! WRONG! WRONG! You have to shop around!! Let me tell you a quick story about a client of mine...

### A \$105,754 MISTAKE

My sixty-year-old client had a term life insurance policy in the amount of \$750,000. He had bought this policy in 1999 and when I called him in 2001, I offered to do a comparison of current available term policies with his current policy. He explained to me that he needed the coverage for the next ten years to cover off a business loan obligation.

He had a 5-year renewable term policy that was costing him \$8,650 per year. As the 5-year term was two years old, the premium was going to increase to

\$20,272 in three years and then to \$32,272 in eight years. These renewal premiums were stated in the policy specifications. Therefore, over the next ten years, his total premium would have been:

$$\begin{array}{r} 3 \times \$8,650 = \$ 25,950 \\ 5 \times 20,272 = \$ 101,360 \\ 2 \times 32,272 = \$ \underline{64,544} \\ \text{TOTAL} \quad \quad \$ 191,854 \end{array}$$

When I ran his information through my computer, I found that he could buy the same amount of coverage (\$750,000) on a 10-year renewable term policy for a premium of \$8,610. Therefore, over the next ten years, his total guaranteed premium would be  $10 \times \$8,610 = \$86,100$ .

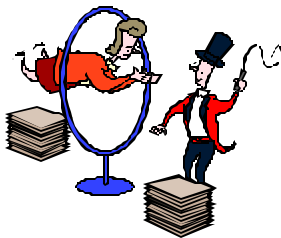
**A SAVINGS OF \$105,754!!! \***



My client had made two mistakes that are made by many people who are buying term insurance:

- 1) He failed to shop around.
- 2) He bought the wrong type of term insurance for his needs. He needed coverage for 10-years but he bought a 5-year term, which increased in price dramatically every 5 years.

## The Answer!



Since I am an independent broker, I am NOT controlled by any company. So I don't have to push you to go with a particular insurer.

I have created my price comparison system... to give busy people, like you, a new and easier way to compare life insurance prices. I monitor the prices of over 25 different life insurance companies to ensure that my clients receive the best coverage and pricing available. My computer program is updated monthly to ensure the very best rates from all life companies who do business through the brokerage system. Dealing with a broker allows you to compare costs between several insurers. I help to fit the best company's product to my client instead of having to fit my clients to any particular company's product.

\* This does not take into account the time value of the extra premium

I also take the time to determine how long my clients will need their term insurance. Typically, I find that young clients with young families, who will need insurance for twenty years, are being sold a 10-year renewable term. Let me illustrate a typical scenario:

- Male, aged 30
- Non-smoker
- Two children aged 1 and 3
- Requires \$500,000 coverage for 20 years
- Currently has a 10-year term \$500,000 policy with initial premium of \$350 yearly.

A review of his policy renewal rates (indicated in his policy wordings) shows a renewal premium of \$1,130 at age 40. His cost of coverage over the next 20 years would be:

$$\begin{array}{r} 10 \times \$350 = \$ 3,500 \\ 10 \times \$1,130 = \underline{11,130} \\ \text{TOTAL} \quad \quad \quad \$14,630 \end{array}$$

Alternatively, had he purchased a 20-year term policy at age 30 at a premium of \$500, his 20-year cost of coverage would have been:

$$20 \times \$500 = \$10,000$$

**A difference of \$4,630!! \***

The last thing you should be aware of is, unless for some reason you are now uninsurable, you should never, ever renew a term life policy when the term is up. When Insurance Companies offer guaranteed renewal on a policy, they know that the only people who will renew are those who have some health issues or those that do not pay close attention and simply accept the increased renewal premium. Let me illustrate an example:

- Male, aged 45, smoker
- Purchased a 10 year term policy of \$250,000 ten years ago at a premium of \$365
- Renewal rate (as shown in policy declaration) is \$1,935 at age 45

If this 45-year-old male qualifies for a new 10-year term policy, he could buy it for \$808. The annual savings of \$1,127 is well worth the completion of a new application and a visit by a paramedical nurse. If due to a medical reason the new application is not approved, then he could carry on with his in-force policy.

**Does all this make sense so far?**

As I mentioned, I monitor over 25 insurance companies. As a result, you're sure to get competitive rates.

It's just that basic.

\* This does not take into account the time value of the extra premium

## THERE IS SOMETHING ELSE I'VE DONE TO MAKE YOUR LIFE EASIER.



As long as you are a client, I will automatically review your life insurance policy every year – year in, year out. I do this to make sure you always have the best deals on your coverage.

So, with me monitoring your policy, you can finally put this issue to bed and have financial peace of mind.

## WATCH YOUR WALLET!

All life insurance prices are based on age. However, each insurance company can determine your age differently. Some Insurers use your actual birthday, while other insurers have age changes if you're within 6 months of your birthday.



For immediate help, call me at (204) 474-1698.  
Or, if you prefer, find the green bulletin in this packet and fax your Information Request Form to (204) 474-1401.

**And please smile...  
You're about to find out how  
To save a lot of money!**



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# LIFE INSURANCE FACT FINDER

1. NAMES: \_\_\_\_\_

2. ADDRESS: \_\_\_\_\_

\_\_\_\_\_

3. AMOUNT OF INSURANCE REQUIRED: \$ \_\_\_\_\_

4.  Male  Female

Male  Female

5.  Smoker  Non-Smoker

Smoker  Non-Smoker

6. DATE OF BIRTH: DAY \_\_\_\_\_ MTH \_\_\_\_\_ YEAR \_\_\_\_\_

DATE OF BIRTH: DAY \_\_\_\_\_ MTH \_\_\_\_\_ YEAR \_\_\_\_\_

7. PHONE NUMBER: \_\_\_\_\_

8. HOW LONG IS INSURANCE REQUIRED:

5 years  10 years  15 years  20 years

25 years  30 years  Permanently

9. LIST ALL CURRENT POLICIES SHOWING DATE OF ISSUE, LIMITS OF COVERAGE, AND TYPE OF POLICY  
(i.e. 5 year term, 10 years, etc.)

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