

Most people with an older life insurance policy are doing just that. When I was a young man, first working on obtaining my various different insurance licenses, one of the truisms that we learned in the life insurance classes was that you had better purchase life insurance as soon as possible and plan to hang on to it for life. This was because you never know when you might die or become uninsurable of course but it was also because life insurance rates were just always going to go up as you got older. Seems pretty logical doesn't it. Let's face it, the older you get, the greater chance you have of dying.

But a strange thing has happened in the life insurance industry that none of us could have predicted back then. It turns out, that for many people in good health; [life insurance rates may actually be going down](#) as they get older. This is due to several factors, not the least of which is that those older policies have built in expense calculations for hundreds and hundreds of data entry workers who are no longer working for that life insurance company.

Life insurance rates are driven primarily by several important factors. Two factors that have a huge impact on life insurance rates are the current mortality table and the expected expenses that the life insurance company will incur to maintain the policy. Let's take a quick look at each of these and how changes in these factors might represent a great opportunity for you to put some money back in your pocket.

Life expectancy has been increasing steadily over recent years due to improvements in safety, medical technology and patient care and preventative medicine. With each increase in life expectancy, comes a corresponding change in the mortality tables that life insurance companies use to calculate the rates on their various life insurance products. But since a life insurance contract by nature is a long term contract, all the calculations have to be done at the beginning of the policy and these don't change over the life of that particular policy. So, for instance if 25 years ago your life expectancy was 5 years shorter than it is today, this means that your 25 year old life insurance policy is basing its rate calculations on old data. A similar new life insurance policy, with rates based on an updated mortality table, would likely cost you less money each year for the same or better protection.

Now let's take a look at the impact of technology on life insurance rates. Back in the early 80's, when I first got into the insurance business, life insurance companies had to hire armies of people to process data and make calculations and updates on existing policies regarding their cash values, surrender values and many other features that change regularly over time. Now

all of those calculations are done by computers and it doesn't take much creativity on your part to envision floor after floor of empty desks and cubicles in the buildings of these large life insurance companies. But hey, lucky for them, your rates on those older policies are based on the costs of paying those data entry people who no longer exist. It's pretty easy to see that as long as you hang on to those older policies, you are paying for the salaries of these long gone data entry workers and of course, lining your life insurance company's coffers with fat profits. Makes no sense for you now does it?

So what are we seeing in our business? Well, in most cases, people in good health who come to us and want us to update their older life insurance policies find that they are faced with several options, all of which are good for them. We can help them reduce or eliminate their life insurance premiums, or let them continue paying the same premium but let their new policy build up a much larger cash value, and in most cases we can help them add a long term care rider to a new life insurance policy at no charge.

The message here for you is that if you have a life insurance policy that is 10 or more years old, you really should take 5 minutes of your time and give us a call and let us take a look at your older policies. It is an extremely rare case where we cannot provide better coverage at a lower cost. Now, I know that this life insurance stuff is kind of boring and paperwork seems like a hassle, but the next time you worry about how these increasing gas prices are taking money out of your pocket, I want for you to remember this easy way to possibly put money back in your pocket. For more help with your life insurance needs, please call Clinard Insurance Group, toll free, at 877-687-7557. Or visit us on the web at [www.ClinardInsurance.com](http://www.ClinardInsurance.com). We can help you figure out if you are still paying the salaries of workers who were fired years ago.