

Structuring your premiums to suit your needs



When you take out life insurance, it's usually because you want to protect the lifestyle you've worked hard to create, and it's important that you have the ability to maintain your cover for as long as you need it. But sometimes customers struggle to maintain insurance cover as their premiums increase, and our customers sometimes ask, why have their premiums gone up over time?

Why do premiums increase over time?

When we set premiums, insurers balance price against risk – how likely you are to make a claim and the amount of the claim.

It works the same as your car insurance – if your car is more likely to be stolen, or it's more expensive to replace, your premiums will be a bit higher.

With life and disability insurance, we look at factors like your income, occupation and lifestyle. As you age, it becomes more likely that you'll need to make a claim, so premiums tend to go up over time.

But for many customers, the need for insurance will also decrease as you age – for example, as you pay down mortgage debt or your children become independent – so it's possible for you to adjust your cover to keep your premiums affordable.

You can choose how to structure your premiums

Most of our customers want to keep some insurance cover in place over the long term, in case anything unexpected happens later in life and there is a need to pay off on-going debt, cover funeral costs, boost a partner's retirement income or even cover family repatriation.

It's important that you have cover that you can keep for as long as you need it, so we offer two different premium structures.

Level premiums

Level premiums lock your premium payments in for a long term, so they don't increase with age unless you change your cover.

Stepped premiums

Stepped premiums start lower, but increase each year based on your age.

How do you know which structure is right for you?

Both types of premium structure have their benefits.

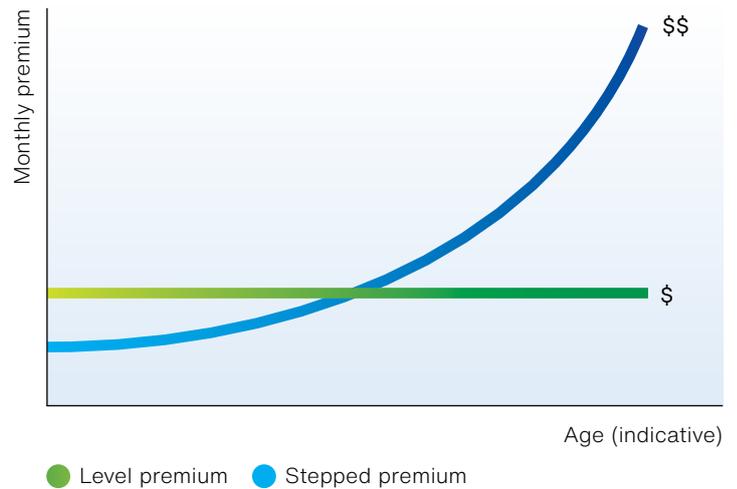
For example, if you're not planning to keep part of your insurance for a long period or your insurance needs might reduce over time, stepped premiums could be a better option.

But if you want to keep part of your insurance for a long time, or you'd struggle to cope with increasing premiums, level premiums might be better to cover these long term needs.

Often, the best solution is a combination of both types of premium.

Level vs stepped

A level premium starts higher, but over time it could save you thousands.



Did you know...

54%

of Life insurance claims are made by people over the age of **60** years

79%

of Life insurance policies have lapsed by the time people reach **59** years

The customers we're trying to protect are lapsing their cover when they are most likely to need it!

Asteron Life Claims and Lapse statistics 1/07/18

Speak to me if you want to look at your options around reviewing the correct structure for you.

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