

For further information contact:
Professional Insurance Agents of Wisconsin
6401 Odana Road
Madison, WI 53179
ATTN: Ron Von Haden
Phone: (800) 261-7429
www.piaaw.org

FOR IMMEDIATE RELEASE

Seven Ways to Save on Life Insurance

The Professional Insurance Agents of Wisconsin offer the following information on life insurance.

MADISON, Wisconsin (January 15, 2007) – When purchasing life insurance, there are many variables to consider including which type of life insurance is right for you: term or whole life. Term insurance can protect your family’s finances; providing money for college and/or living expenses for minor children. Some financial planners recommend you buy term life insurance for the cheaper premium, and then invest the money left over in mutual funds or other investments. Others advocate whole life insurance policies with cash value components because they force you to save money.

“When you purchase a whole life policy, the money you invest is then re-invested in stocks, bonds, and mutual funds that increase or decrease in value based on their performance,” says Ron Von Haden, CIC, Executive Vice President of the Professional Insurance Agents of Wisconsin (PIAW). “Any partial withdrawals or loans will reduce your death benefit. Each year you own the policy, more of your premium goes to insuring you and less goes toward the investment.”

Von Haden continues, “Term life insurance covers you for a set period of time. The term can be as short as one year or as long as 30 years. Term life insurance protects loved ones by covering specific debt and protecting family finances. Insurance companies usually require a

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basic medical exam that covers your height, weight, medical history, and blood and urine testing before issuing life insurance. The results of the tests could affect your premium, or even your ability to buy a policy.”

Those with preexisting medical conditions or that engage in risky activities, such as smoking or drag racing, will pay a higher premium. Older individuals also pay higher premiums because the likelihood they will die sooner increases with age. Those having difficulty finding life insurance due to illness or medical history can purchase guaranteed issue life insurance, which requires no medical exam, but typically has higher premiums and yearly fees.

If you know how to shop for insurance, you could save hundreds of dollars on premiums. Here are ways you can save money on your next life insurance purchase:

- Have your professional independent agent shop around to find the best rate to fit your needs.
- Improve your health. Eat right, exercise and quit activities like smoking. If you do have a preexisting medical condition, such as diabetes, show that you take your medication regularly and act responsibly about your health.
- If you need more life insurance, a “rider” may let you expand your coverage without sacrificing the built-up cash value of a whole life policy.
- Don't buy a guaranteed issue policy if you are healthy.
- Buy life insurance early in life. You're annual premiums will be lower.
- Maintain good credit. If there are problems with your credit, you could be denied coverage or be placed in a higher risk class.
- Save money by the way you're billed. Some insurers charge less if you pay annually and more if you pay monthly.

To determine how much life insurance to buy or if your needs have changed since purchasing a policy, meet with your professional independent agent at least once a year. They will be able to find the best rate on the coverage you need and will be able to answer any questions you may have about your policy. To locate a PIA member near you, look for the PIA logo or go to www.PIAW.org.