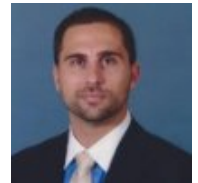


Inexpensive Doesn't Mean Low Quality With Term Life Insurance – Guest Post



Joe
Capone,
ChFC,
LUTCF

[Editor's Note: This is a guest post from Joe Capone, ChFC, LUTCF, a long-time blog sponsor and the guy behind InsuringIncome.Com. Although this isn't a paid post, he does pay me money every month to advertise on this website. This is an important post because it points out how term life insurance is essentially a commodity like gasoline, and should be bought mostly based on price. Enjoy!]

When purchasing a product or service, we commonly wonder why one product costs more than the next. In some cases, something that costs more means that the product is a higher quality or it means that it has more features. This is not always the case though, especially when it comes to purchasing term life insurance. The marketplace is very competitive so it definitely pays to shop around before securing a new term life insurance policy. There are many carriers that make for good options for securing this critical insurance. Just because you are not familiar with a company does not mean that it should be ruled out. Take some time to learn about the various carriers that offer life insurance. Use an [instant term life insurance quoting tool](#) to see which policies have the lowest

cost, based on the specific policy type and [face amount](#) that you are looking for.



Why Pay More for Name Brand?

While most everyone has heard of the larger life insurance carriers, there are some smaller insurance companies that have been in the industry for just as long – and in some cases, even longer – that provide strong, stable coverage. In some cases, these carriers offer very competitive rates.

Depending on your age, state of residence, gender, length or type of coverage, health rating, and other underwriting criteria, one could see different companies climb to the top of the quote list for each scenario. Specific medical events are handled more favorably by some companies than by other companies so it is important to know your options. If you are approved for a Preferred rating (second rating class for some carriers), one has to ask “Would any other carrier consider approving me at a Preferred Plus rating (top rating class for many carriers)?”

Competing for your Business

Many insurers have methods to be competitive when other insurers are not willing to budge on an approved health rating. The fact that one carrier approves an application at a

higher health class can result in substantial premium savings. For instance, Banner has a "crediting program " that can help to improve an underwriting decision by one class if the one adverse finding was for build, blood pressure, family history, or cholesterol/HDL ratio and 3 of 7 other specific criteria are met. This can only be used on cases rated Standard or better.

A brochure that was put out by Banner Life states that 1 in 10 of their policies that were issued in 2012 were improved by using the company's crediting program.

Someone that is in the market for life insurance wants to know that the issuing company has the financial stability to be there when a claim needs to be paid. Since there are many life insurance companies, it can be difficult to be familiar with every company. It is not uncommon for someone to bypass companies simply because they have never heard of the company. An individual may elect to purchase coverage from a carrier that has a higher premium (while also potentially having fewer policy features) simply because they recognize the company from a TV commercial, a family member worked at the company in the past, they recognize the name from the benefits flyer from their employer, etc, etc. Making a well informed decision can have a significant impact on the long term financial well being of a family.

In this post I will profile some of the most competitive life insurance companies in today's marketplace; all profiled companies are A rated or better by A.M. Best.

[Banner Life](#) (William Penn Life Insurance Company in New York)

The company is rated A+ (Superior) by A.M. Best and AA- (Very Strong) by Standard and Poor's. Banner is owned by Legal and General America, one of the largest insurance companies in the world that has been in business for more than 175 years. Banner Life offers customers the option to purchase a 10 year,

20 year, or 30 year level term life policy.

A unique feature of Banner Life policies is that they have a "[Laddered Term Life Insurance](#)" rider. Typically, someone that wants to have \$3,000,000 of term coverage for the next 10 years, followed by \$2,000,000 for the next 10 years, and \$1,000,000 for the final 10 years would need to purchase three separate policies. Each policy would have its own policy fee. Banner can issue the same level of coverage in one policy by using riders to attach the other term periods. This is done with a single policy fee. The savings that are obtained from not having multiple policy fees can make this the least expensive option.

Banner also has a crediting program (mentioned above) that can help to improve the rating class of the insured by one health class. The combination of low rates, the laddered rider, an A+ rating from A.M. Best, and their underwriting crediting program makes Banner a company that is worth considering.

SBLI – The Savings Bank Life Insurance Company of Massachusetts

Likewise, SBLI (The Savings Bank Life Insurance Company of Massachusetts), another lesser-known insurer, is also a highly rated insurer, with an A+ (Superior) rating from A.M. Best. SBLI does not offer coverage in New York or Connecticut. Centrian Life is the carrier that offers coverage in Connecticut. SBLI has been in business for more than 100 years.

SBLI offers the traditional 10 year, 20 year, and 30 year level term life policies. They also have a 25 year term life policy which most companies do not offer as an option. SBLI also offers a 15% discount on the first year premium for 20, 25, and 30 year level term policies for AAA members in MA, CT,



RI, and NH.

Genworth

Genworth has been in the insurance arena for a very long time. Since they opened their doors for business, this insurer has been distributing insurance and financial products through banks, independent brokerages, and other financial institutions, and has a presence in more than 25 countries. Genworth has an A (Excellent) rating from A.M. Best, an A- (Strong) from Standard & Poor's, and an A3 (Good) from Moody's.

Prudential (Pruco)

Prudential has been in the business of insurance and financial services for over 125 years, helping its customers to both build and protect wealth – primarily through its protection products. The company has an A+ rating from A.M. Best, a AA- from Standard & Poor's, an A1 rating from Moody's, and an A+ rating from Fitch Ratings. Prudential offers a 10 year, 15 year, 20 year, and 30 year level term life policy.

Ohio National

Ohio National Financial Services was founded in 1909 as a mutual insurer. The company has earned very high rankings for financial security and claims paying ability, including an AA- from Standard & Poor's, an A1 from Moody's, and an A+ (Superior) from A.M. Best.

Ohio National offers a 10, 15, and 20 year level term product. They do not offer a 30 year level term product. Their lowest cost term product ("Basic") does not allow for conversion and can be a great fit for someone that knows that they have a temporary need for life insurance. Ohio National's other term product, "Plus", allows for conversion to permanent insurance without further medical underwriting. It is slightly more expensive than the "Basic" product and is also offered at a

competitive price.

American General

American General has been in the business for more than 150 years. The company has earned very high ratings from the insurance company rating agencies, including an A+ (Strong) from Standard & Poor's, an A2 (Good) from Moody's Investors Service, an A+ (Strong) from Firth Ratings, and an A (Excellent) from A.M. Best Company.

American General's unique offering is their Select-a-Term® product. The Select-a-Term® product is available in 17 versions. There is a 10 year level policy and then there are options ranging from 15 years up to 30 years of level term life coverage. This product can be great to meet the specific needs of buying life insurance to cover the remaining mortgage payments, for college planning, and other goals that have a defined time horizon.

Pacific Life

Pacific Life was founded over 100 years ago as a holding company owned by its policy and contract holders. Today, this mutual insurer prefers to make decisions without having to consider the effect on stock price. It is highly rated: an A+ (Superior) from A.M. Best, an A+ (Strong) from Fitch, and A1 (Good) from Moody's, and an A+ (Strong) from Standard & Poor's.

Pacific Life offers an annually renewable term life policy (Pacific Art), a 10 year level term, and a 20 year level term policy. They do not offer a 30 year level term policy.

Finding the Right Coverage for Less

The Internet has made comparison shopping for life insurance much easier today than ever before. A few simple clicks can

provide you with a great deal of information about an insurer's product, its premium price, and all of the other features and riders it has to offer – right from the comfort of your own home. In doing so, you can quickly and easily determine which coverage and carrier best meet your specific needs.

Don't know how much coverage you need? That's easy to determine today, too. Simply click on one of the many online life insurance needs calculators that are available on the Internet today. These needs calculators can walk you through the steps that are necessary in deciphering the amount of life insurance coverage your survivors would require for paying off debt, for income replacement, or for other potential monetary obligations.

[Editor's Note: Joe's site has a handy function where you can get instant [term life insurance policy quotes](#) without having to provide personal information. Have you bought term life from one of these lesser known companies? What did you think? Comment below!]