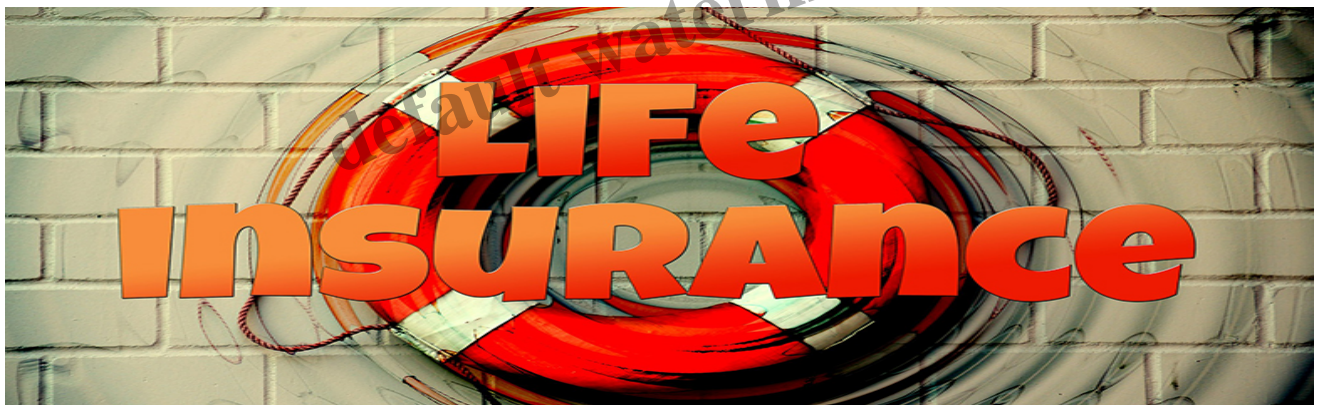




The Ultimate Guide to No Exam Life Insurance

Description

Everyone knows that life insurance can be a difficult topic to discuss, considering any medical conditions you might have, and plans for the future if you pass away.



However, it's important to talk about life insurance—for you and your loved ones. If you have anyone who is financially dependent on you, then you need to buy a life insurance plan. But if you do your homework in advance your journey to life coverage would be easier and you could get the best term life insurance policy you want – that is, a policy you can afford, that suits your needs perfectly, and that is issued by a company that is economically sound.

What is No Medical Exam Life Insurance?

Simply put, life insurance is a means to safeguard the futures of those financially dependent on you. The money you put away in a policy each month can be claimed by these dependents, and often the money they get is used to cover medical and burial costs. Beyond that, a life insurance policy can be put toward a college education, buying a home, or other large investment.

There are several different types of life insurance policies that you can choose from and we'll be going through them later on in the article. One of the initial obstacles to being eligible for many of these

different types of policies, however, is the perquisite medical exam.

The medical exam often will require lab work, samples, and an extensive application form to fill out. By undergoing the medical exam, you could possibly wait several weeks if not months to hear back from your life insurance policy holder—only to be denied.

Fortunately, there are several companies who underwrite life insurance policies without any medical exam required. With only a few basic health information questions, you could be eligible for term life insurance policies that last decades.

Why Should You Choose a No Exam Life Insurance Plan?

I briefly touched upon this above, but there are some advantages to getting life insurance without a medical exam.

- **Streamlined application process:** You can often be eligible for life insurance in as soon as the next day by answering a few basic health questions.
- **Convenience:** You can apply for life insurance from any company online or over the phone.
- **Prefer not to be examined:** Taking a medical exam only to be declined from your life insurance policy can be a huge waste of time. If you have concerns over specific medical tests or would prefer not to be examined, a no exam life insurance plan could be for you.
- **Need Life Insurance Quickly:** If you require only a small amount of insurance coverage or need insurance quickly (like to collateralize a loan), then you might want to skip the medical exam.

Exam vs. No Medical Exam Life Insurance

A medical exam helps collect information on things like blood sample, height, urine sample, and blood pressure, along with your health history, family, gender, age, and fitness level. The insurance company uses this collection of data to figure out the rate class in which you fit.

Note that you can always reduce your rate by improving your health and fitness level, and this is something your insurance company can explain to you more. Talk to your insurance agent before you take the medical exam required as part of your life insurance application. That way, you know upfront the medical restrictions on the policy, what is out of the coverage scope, and how any personal health condition would affect your premium quote.

There are two stages to the typical life insurance medical exam.

1. A verbal questionnaire. The medical practitioner will ask you a series of questions ranging from height and weight to substance use, existing medical history, prior hospitalizations, and more.
2. Sample collections. You'll be notified in advance by your agent or life insurance broker exactly what tests they'll be running, but the most common are urine and blood analysis. Fortunately, these tests are simple enough that they can often be done from your home.

The Types of No Exam Life Insurance

No medical exam life insurance is often marketed as affordable, convenient, and fast. While this is

somewhat true, it is still not the right solution for everyone. Only certain people will truly benefit from purchasing no exam life insurance.

Although each company may offer different policies, coverage amounts, and term periods, there are four common types of life insurance with no medical exam required.

Simplified Issue

Simplified issue life insurance is a type of term life program that strikes a healthy compromise between the benefits you can receive for taking a medical exam while still having the convenience of forgoing it. Instead of requiring lab work and a full exam, prospective customers will instead be asked several basic health questions to gauge medical history and hospitalizations. You might also be asked about drug and alcohol use, which can increase your monthly premiums.

This type of insurance is one of the most popular out there, simply because it is quick and offers a decent amount coverage. You can also get whole life insurance simplified as well. The immediate benefits of going simplified issue is that your life insurance company could issue their decision in a matter of minutes. Overall, the process is significantly faster than a traditional policy where you have to schedule and take exams and wait for those results to be analyzed. You can expect coverage in amounts up to \$500,000.

Guaranteed Issue (GI)

On the opposite side of the spectrum is guaranteed issue life insurance, which has become quite divisive in the past several years. The best thing about guaranteed issue life insurance is that, like the name says, it is guaranteed. Just about everyone is eligible to apply after filling out a quick, easy application.

There are several items to consider, however, before you decide on GI life insurance with no medical exam. The most obvious is cost. Since no medical exam is required, and only the most basic of information asked of you, the company knows nothing about you. Therefore, you can expect a significantly higher premium proportionate to the risk the company takes.

In addition to higher monthly rates, there is a waiting period to be approved for guaranteed issue life insurance—this usually takes two years. You need to be a little strategic when applying for life insurance and have an honest conversation with medical professionals about any conditions you might have and whether the possibility exists of you passing away before becoming eligible for this type of insurance.

That being said, GI life insurance is a good fit for those who have serious medical conditions no other company will cover. This type of insurance is often seen as a last resort. Speak to an experienced broker to help guide you through what options are available and seek a lower rate if possible.

Graded Death Benefit

This type of life insurance with no medical exam can be seen as the midpoint between the two above types. Graded death benefit life insurance is slightly stricter than GI insurance but can offer several

more benefits.

After answering a few common health questions, the phased in death benefit is the most notable advantage. Instead of completing a waiting period like other types of life insurance, policyholders can expect an amount of coverage determined by how many years you are a member. If you pass away within the first two years of being a member, the company might only pay half or a fraction of how much your policy is worth.

Graded death benefit life insurance is also less expensive than guaranteed issue (but more than traditional policies). Because some degree of underwriting is being done, your rates won't be as high. Finally, you can expect higher coverage amounts than guaranteed issue, typically up to \$50,000.

Final Expense Insurance

Where Guaranteed Issue is often seen as the last resort of life insurance policies, final expense can be considered 'burial insurance.' You might even see it offered as such while searching around.

Final expense coverage is designed to cover the expected costs associated with death, which can include burial and ceremony, small debts incurred, and any final medical bills.

This type of life insurance offers policies that are small, permanent, and locked-in premiums. Coverage can go up to \$100,000 from some companies, and policies can be issued usually up to age 85.

Advantage of Getting Life Insurance Without Exam

One of the biggest concerns that arise when applying for life insurance is about how much coverage you could receive. Although each company may have different policies and rules, the general perception is that a medical exam is required to be eligible for all types of life insurance. Most companies will not give you whole life or universal life insurance without a medical exam—however there may be exceptions.

A major misconception however is that people think simply because you are buying a no exam life insurance policy that you are getting less coverage. This is generally not true, as the life insurance companies that offer no exam insurance have policy limits based on your age, health history, and income.

As mentioned above, each company may have different coverage amounts and terms, but you can follow the guidelines below for non-medical exam insurance coverage:

- Infant to age 21: \$5,000 – \$50,000
- Age 21 – 65: \$25,000 – \$500,000
- Age 66 – 75: \$5,000 – \$99,999

This is comparable to some life insurance policies, but the rule of thumb is that only term life insurance is available for no medical exam. Universal and whole life insurance policies can last for significantly longer terms with coverage up to one million dollars.

One thing to be aware of is that you might experience premiums as a result of the convenience of getting approved for life insurance with no medical exam. It might not always be too bad, a few dollars

more per month. In some cases, however, you might be looking at significant increase. Fortunately, you can apply online for nearly all life insurance companies these days so be sure to compare your options and read the fine print for subtle price changes like this.

Category

1. Insurance

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