

Payingtoomuch.com launches the UK's first online Whole of Life Assurance comparison service

Submitted by: Payingtoomuch.com

Monday, 6 February 2012

This week marks a landmark in the progress of online life insurance as payingtoomuch.com launch a brand new Whole of Life Assurance comparison service.

Launched in 2011, payingtoomuch.com is the first and only online aggregator to compare Whole of Life Assurance.

"This product is aimed at online customers who are concerned that term insurance could be a waste of money if they outlive the term", comments payingtoomuch.com MD, Michael Ward.

"We speak to many customers who believe they are wasting their money on term insurance as just when they need the cover the most, in older age, the cover finishes"!

The new Whole of Life solution seeks to address these concerns and provide the complete peace of mind that only a guaranteed payout can.

"Term insurance is very profitable for the insurers and banks that distribute them", says Ward, "but doesn't always fit the customer's needs". Customers who buy life insurance products are pre-screened in a process called underwriting, which means they usually do not die early. In fact, most go on to outlive their term, which means for most, it does not pay out.

Whole of Life Assurance continues on a guaranteed premium until the customer decides they don't need the cover anymore, or until death. It is more expensive because unlike term life insurance, it guarantees a pay-out as long as the monthly premiums are paid.

Why not Guaranteed Over 50's Life Cover?

AXA Sun Life are the market leaders in selling the over 50's Guaranteed Life Assurance using well known personalities like Michael Parkinson on day time TV.

As guaranteed over 50's plans have no underwriting process, healthy customers effectively subsidise those who would have higher premiums had it been an underwritten product, making them more expensive for the healthy majority.

For example, for the same premium of £20 per month, a healthy 65 year old female will typically receive up to twice as much cover with a Whole of Life policy than with a Guaranteed Over 50's plan. Whole of Life Assurance policies also have the added benefit of starting on acceptance, whereas Guaranteed Over 50's plans generally begin after 1-2 years of premiums are paid.

Whole of Life Assurance is generally bought to provide a lump sum for a loved one, cover funeral expenses or to help pay an Inheritance Tax bill through the use of an appropriate Trust.

Gender Equalisation:

Currently, female premium rates are better than male premium rates due to the better life expectancy of females. On 21st December 2012 this difference will be abolished by an EU Treaty that requires 'the progressive elimination of inequality between the sexes'.

Payingtoomuch.com believes female rates are likely to become higher: "It is likely female prices will rise and male prices will remain unchanged. This is down to the risk that large numbers of existing male customers might cancel and switch if male rates fall in 2013. This could destabilise the insurers if large numbers of male customers switch en masse and therefore the insurers are unlikely to incentivise this behaviour."

Consumers can compare whole of life assurance

(<https://www.payingtoomuch.com/insurance/whole-of-life.aspx>) online at www.payingtoomuch.com/life.

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The site is run by Eclipse Financial Systems Limited and is a trading style of Eclipse Financial Management for Financial Services Products that are regulated by the Financial Services Authority. Eclipse Financial Management Limited is authorised and regulated by the Financial Services Authority.

Michael Ward, MD of payingtoomuch.com, is available for interview. To interview Michael or for more information, please contact him directly on 01243 784000 or email press@payingtoomuch.com.