

Compare Life Cover Online

Many people are under the assumption that life cover is taken out to pay just for funeral costs. While of course your life insurance could come in handy to pay for the funeral it is also taken out for many more reasons. Taking out a policy requires you to give thought to many factors; these include how much cover you would need, whether or not you have a family including children to consider and how much support your family would need.

The first hurdle you will have to cross when looking to take out your insurance is the amount you need to insure your life for. While this might seem like a daunting task there is a simple formula you can bear in mind. You are able to take your annual salary you have coming in and use this as a guide from which to work. As a rough guide you need to at least multiply your salary by 10 times. Depending on the circumstances you might even have to consider multiplying this by as much as 25 times, this will depend of what you plan the insurance to be used for by your family.

Once you have worked out how much life cover you need to take out then you need to turn your attention to the type of protection you want? There are many different types so you will have to give this a great deal of thought before rushing in to buy. Of course to some extent the type will be determined by what you want to leave to your family.

The most basic form of life insurance you can choose is term life assurance. When taking this type of policy you will pay a premium which is based on certain factors. Some of which include your age, whether you are a smoker and drinker and your occupation. Smokers and drinkers will have to pay out more for life insurance than those without the habit. Someone who is fit and healthy will also pay less for the insurance than someone who suffers a pre-existing condition. Once the premium has been determined then it would be paid for over a certain period of time, while you are paying the premium you are covered for the sum you insured against. However if you are still alive when the policy ends then the policy would also end and no payment would be made.

When taking out term life assurance you could be asked if you wish to take out a policy to protect you in the event that you should suffer from a terminal or critical illness. If you choose to do so then you would have to pay an extra premium for this.

If you want to ensure that you would receive a payment in any case, whether you outlived the policy or not then you could consider taking out whole of life assurance. This type of insurance is dearer than the term life assurance but your family would be guaranteed a lump sum payment when you expired.

Any form of life cover needs looking into very carefully before taking out the policy. All policies come with terms and conditions which have to be met and these will include certain exclusions. You have to read the small print that comes with the cover if you are to know what is and is not included in the policy.

About the Author

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