

Money Fix: Some ways to save when shopping for life insurance

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Special to Newsday In a recent survey by the research firm LIMRA, 61 percent of people polled said they had not purchased life insurance because of other financial priorities such as rent, mortgage or groceries.

The survey asked what people thought a 20-year, \$250,000 level-term policy for a healthy 30-year-old would cost. Many guessed \$400, 25 percent thought \$1,000. It's actually \$160, \$13 a month.

Not only is life insurance not as expensive as you think, there are ways to save on a policy.

Purchase only what you need: "For income replacement, get a minimum of 10 to 15 times your income, and consider not only current income, but future earning capability," says Bobby Hotaling, president of The Hotaling Group in Manhattan.

Explore term insurance, which covers you for a set period and tends to be the cheapest. Don't wait: Buy sooner rather than later. The younger you are, the more likely you are in better health, and therefore get a lower premium, says Ronald Duswalt, a certified financial planner with Old Castle Financial Advisors in Uniondale.

Shop around: All insurers are not equal. Look for a financially sound company that offers competitive rates.

Break bad habits: If you are a smoker, quit. Eat well, exercise and get in shape, advises Steven Schwartz, a vice president at HUB International Northeast in Woodbury. Being and staying healthy earns you points with the insurer.

A smoker's insurance rate can be more than 25 percent more than a nonsmoker's. Says Martin Levine, chief financial officer of 4 Thought Financial Group in Syosset: "If you stopped for a few years, reapply. The time period for being classified a nonsmoker varies by insurer."

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