



Life insurance for people with pre-existing conditions

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As many as [1 in 2 Americans have a pre-existing condition](#). That includes chronic ailments like diabetes, high blood pressure, heart disease and sleep apnea that affect quality of life. Unfortunately, these conditions also can affect [life insurance](#) rates and approval for a policy.

If you have a pre-existing condition and are concerned about getting life insurance, here are some important things to know before you apply.

What's considered a pre-existing condition?

A [pre-existing condition](#) is a health issue that existed before you applied for insurance coverage.

Some of the most common pre-existing conditions that affect life insurance include:

- [Diabetes](#)
- Heart disease
- [High blood pressure](#)
- High cholesterol
- Obesity
- [Various forms of cancer](#)

Having one of these conditions doesn't automatically mean you'll be denied coverage. However, depending on your insurer's underwriting process, it could mean higher rates.

Can you get life insurance when you have pre-existing conditions?

John Holloway, a licensed life insurance agent and co-founder of [NoExam.com](#), a digital agency focused on helping people find the right life insurance, says people with a pre-existing condition can get life insurance.

"Most insurance companies will require cancer to be in remission. They typically look back at least 10 years if you are looking for a traditional term life insurance policy," Holloway says. "For a less detrimental condition, such as diabetes or high blood pressure, insurance companies will often look back only three to five years to ensure the condition is controlled before offering life insurance coverage."

If an insurance company does offer coverage, your premium will depend on your rating. Insurers use different ratings to assess their risk of insuring you:

- Super Preferred (or Preferred Plus)
- Preferred
- Standard (or Regular)
- Substandard

You'll pay a higher premium or get coverage denied if you're placed in one of the lower-tier categories.

That classification can be the difference between finding an affordable term life policy or paying hundreds more each year.

Here are the average annual premiums for a 20-year term life policy worth \$500,000 for a 50-year-old man who's a nonsmoker:

- Preferred Plus -- \$1,479
- Preferred -- \$1,644
- Regular -- \$2,055

People classified in higher health classes will have an easier time finding an affordable term life policy. Here's how many 20-year term life policies that we found with \$500,000 coverage that were under \$1,200 annually in September 2019:

- Preferred Plus -- 155
- Preferred -- 42
- Regular -- 0

As you can see, a better health status makes it easier for you as a life insurance shopper.

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Company	Score	Customer Who Recommend	AM Best Rating	Learn More
Lincoln National Life Insurance Co.	89/100	94.06%	A+	Get Quotes
Allstate	89/100	90.91%	A+	Get Quotes
Metlife	88/100	85.33%	A+	Get Quotes
MassMutual	88/100	91.00%	A++	Get Quotes

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Instant approval and pre-existing conditions

Some people may be able to get instantly approved for life insurance, but this benefit is typically reserved for the healthiest consumers.

[Instant approval](#) is common in term life insurance. You don't need to undergo a medical exam or complete lengthy paperwork. Instead, you give the insurance company information about your medical history, age, height and weight and lifestyle. They input this data into a computer and use an algorithm to predict your life expectancy and risk. Using algorithms improve the decision process. With this process, you don't have to wait several weeks for a decision.

Holloway says if you've had a pre-existing condition within the last five years, it's unlikely you'd get instantly approved. Instead, the insurer would need to review your application manually. The insurance company also could ask to review your medical records. Or, the insurer may require you to undergo a medical exam before it decides on your application.

For all these reasons, people with pre-existing conditions typically must go through the traditional insurance underwriting process.

Permanent vs. term life insurance

There are two main life insurance options from which you can choose: [permanent life insurance](#) and [term life insurance](#).

Permanent life insurance includes whole and universal life insurance. It offers a guaranteed death benefit your beneficiaries can assess as long as you pay your premium. Term life insurance provides coverage for a set period (typically five to 30 years). Term life expires after your term ends, so there's no guaranteed death benefit. Term life insurance is less expensive than permanent life insurance. So, term life might make it a better option for people with pre-existing conditions, Holloway says.

"Many [people] with pre-existing conditions will choose to apply for term life insurance for its inexpensive cost and flexible term lengths. This can often offset a higher rate due to their condition when compared to other permanent or whole life plans," he says.

Final expenses and burial insurance

If you can't get an affordable term or whole life policy, [final expense insurance](#) is one way to meet some of your coverage needs.

Final expense insurance, which is also called burial insurance, offers a cash payout to your beneficiaries they can use to pay for your funeral costs or other expenses. With final expense insurance, you can get either a simplified issue or guaranteed issue policy. A simplified issue policy requires you to answer a few questions about your medical history.

However, a guaranteed issue policy doesn't have this requirement. That's why the face value of these policies is considerably lower than traditional insurance. These policies also feature a "graded death benefit." A graded life benefit means a death payout will be lower or inaccessible within the first few years should you die soon after getting the policy.

"When an applicant is too high risk to be considered for traditional forms of life insurance, depending on age, the individual may be eligible for a graded policy, which will require a waiting period," Holloway says. "Waiting periods require the insured live for a period of time, typically two years, prior to being eligible for their beneficiary to make a claim on the insured's life."

Life insurance riders for people with pre-existing conditions

[Insurance riders](#) provide additional coverage that can help your family. If you have a pre-existing condition, you might consider adding a rider that provides coverage for things like critical illness or long-term care.

"A critical illness rider can provide benefits prior to an insured's death to help pay for medical expenses should a medical condition worsen over time," Holloway says.

A [long-term care rider](#) can offset or completely cover long-term care costs in a nursing home or assisted living facility.

An [accelerated death benefit](#) and living benefit are two other riders you might consider adding to your policy if you have a pre-existing condition. An accelerated death benefit allows your beneficiaries to collect your death benefit early if you're diagnosed with a terminal illness.

A living benefit allows you and your family to collect benefits while you're still alive if you have a qualifying medical condition. This benefit can be crucial if your pre-existing condition results in a disability that prevents you from working.

One critical thing to remember is that adding these riders to your policy will raise your premium. Talk to your insurance company to get an estimate of the cost. Depending on your budget, the additional expense may be worth the trade-off of more financial security for your survivors.

Improved health and life insurance

Getting denied life insurance coverage or having to pay higher rates because you have a pre-existing condition may seem fundamentally unfair. However, the one silver lining is that improved health can improve your rates and chance of approval.

"Controlling a pre-existing condition with diet and exercise is the strongest case you can make to an insurance company to approve your policy," Holloway says.

If you're initially approved for a policy at a higher rate, make lifestyle changes to boost your health and follow your doctor's treatment plan to the letter. Once your numbers are back within the normal range and your medical records show improvement, shop the insurance market to find an affordable policy.

If you're in a different situation and were initially denied, Holloway says it's best not to wait to get life insurance, since some coverage is better than nothing.

"I would advise against waiting to buy a life insurance policy until a condition improves," he says. "You can always re-apply for coverage down the road and have your health reassessed at the time of underwriting to see if you are eligible for a more favorable rate class."

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