



Life insurance for people with diabetes

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Diabetes is a manageable condition that can be controlled with medications and lifestyle changes. However, if you have this condition or are high risk, you may not qualify for an affordable [life insurance](#) policy.

Diabetes is a growing problem in America. Every year, [1.5 million Americans are diagnosed with diabetes](#). Another [84 million Americans](#) have prediabetes, which means they're at high risk for diabetes.

Here's what you need to know about getting life insurance with diabetes.

Can you get life insurance when you have diabetes?

The answer is yes. It all depends on how well your condition is controlled with or without medications, says Joseph Cirillo, an independent life insurance broker at [Cirillo Financial Services](#).

Diabetes comes in two forms -- [type 1 and type 2](#).

- Type 1 diabetes -- The body doesn't produce insulin.
- Type 2 diabetes (the most common form of diabetes) -- The body doesn't properly use insulin.

Problems with insulin make it difficult to control blood sugar levels. Insulin is a hormone that is critical to how the body uses and stores energy. When the body doesn't have enough of it or doesn't use this hormone properly, it can affect how your body functions.

Treatment for type 1 and type 2 diabetes can include insulin therapy to control blood sugar levels, non-insulin medications, weight loss and eating a nutrient-rich diet filled with whole grains, lean meats, fruits and vegetables.

Whether you can find a life insurance policy when you have diabetes depends on the insurer. Every life insurance company has a different underwriting process and ratings standard. They use this process to assess the risk of issuing you a policy. Insurers will consider several factors when deciding whether to grant a policy:

- Type of diabetes
- Your lifestyle
- Weight
- Age at diagnosis

If you have type 2 diabetes, regular exercise, eating a healthy diet, losing weight and taking your medications as prescribed may put you in a higher ratings class and get you a better rate. However, an insurer may give you a substandard rating if you have type 2 diabetes and don't take your medications, don't regularly visit your doctor or have gained weight. Being placed in a substandard rating category could result in a denial or much higher rates.

The type of diabetes also can affect your chances of approval. It may be more difficult to get life insurance if you have type 1 diabetes. That's because this condition requires insulin medication since the body doesn't produce this hormone at all.

People who have type 1 diabetes usually are diagnosed when they're young. The diagnosis potentially means a lifetime of managing medications and following doctor's orders. That can be challenging. Since the risk of non-compliance is so high and the length of time someone would have this condition is so long, insurers may put you into a lower ratings class if you have type 1 diabetes.

Age at diagnosis is also a factor for many insurers. If you're diagnosed with diabetes later in life, an insurance company may consider you less risky to insure than someone who was diagnosed in their 20s.

Whether you have type 1 or type 2 diabetes, it's important to fill out your life insurance application accurately. Insurers will check the information you provided via the [Medical Information Bureau \(MIB\)](#) or a required medical exam before approving you for a policy. So, be honest about your condition and what you're doing to treat it.

How much could you save if an insurer puts you in a higher ratings classification? Here are the average 30-year term annual premiums for three different ratings classifications for a 40-year-old nonsmoker woman as of September 2019:

- Preferred Plus (highest classification) -- \$796
- Preferred -- \$883
- Regular -- \$1,077

These are the average rates. Premiums can vary by insurer. You have a better shot of finding a great rate if you're in the higher health classes. For instance, in September 2019, life insurance companies offered a dozen policies at less than \$500 a year to 40-year-old women in the Preferred Plus class. On the other end, there wasn't a policy for a 40-year-old woman in the Regular health status under \$870.

Instant approval and diabetes

Some companies that offer [term life insurance](#) may instantly approve consumers for a policy.

With [instant approval](#), an insurance company uses an algorithm to predict life expectancy and risk. They enter information, including your age, height and weight, lifestyle habits and medical history and the algorithm gauges risk. There's no exam or lengthy forms to fill out. The insurer makes a quick decision using the provided data to decide whether you're approved.

"You can get instant approval life insurance with many pre-existing conditions. Every life insurance company has different opinions on underwriting," Cirillo says. "Life insurance companies that specialize in non-medical underwriting can offer instant decisions with pre-existing conditions like diabetes or high blood pressure, but it is not always easy."

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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
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MassMutual	88/100	91.00%	A++	Get Quotes

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Permanent vs. term life insurance

Term life insurance offers coverage for a period of five to 30 years. That time limit is why it's considerably less expensive than [whole life insurance](#), which has a death benefit that never expires.

"All standard life insurance options are usually available if you have a well-controlled pre-existing condition. You can generally purchase term life insurance, whole life insurance or universal life insurance with well-controlled diabetes," Cirillo says.

But Cirillo adds that "term life insurance would be better for people with pre-existing conditions from a cost perspective since it is more affordable than permanent life insurance. However, term life insurance was created to provide temporary death benefits. If you have a permanent life insurance need, such as final expenses, then permanent life insurance is better than term, even with a pre-existing condition."

Final expenses and burial insurance

Even if diabetes prevents you from qualifying for term or whole life insurance, you still have other insurance options.

[Final expense insurance](#), also referred to as burial insurance, is one of them. This type of insurance provides a cash payout to help your loved ones cover funeral costs and other expenses. You can either get a [simplified issue](#) policy that requires you to answer a few medical questions or a [guaranteed issue](#) policy, which doesn't have this requirement.

However, a key feature -- and potential drawback -- of final expense insurance is that your policy will include a graded death benefit. That means benefits to your beneficiaries will be lower during the policy's first few years.

Life insurance riders for diabetes

Diabetes can significantly increase your risk of heart disease and stroke. Those two conditions are not only deadly, but that can affect your ability to perform routine functions and go to work every day.

Because of this, it may be worthwhile to consider adding a critical illness or living benefit [rider](#) to your policy. A critical illness rider helps you pay for treatment if you have a qualifying illness. A living benefit rider offers a portion of the death benefit while you're still living. This rider can be beneficial if you can't work and lose your income.

Improved blood sugar and life insurance

Even if you have diabetes and get approved with a higher premium, you could eventually get a lower rate if your condition improves or if you go from diabetes to prediabetes.

Cirillo says you can request the life insurance company underwrite you again to lower your rate if your health improves.

"We see this a lot with conditions like high blood pressure and diabetes that can be treated with medication or lifestyle changes," Cirillo says. "Once you have your policy locked in, the life insurance company cannot increase your rate if you get sick, so you can't go backward. The worst-case scenario would be that your rate doesn't change." If your insurance company refuses to lower your rate, consider shopping around for another policy with lower premiums.

While it may be more challenging to get life insurance with a pre-existing condition like diabetes, it isn't impossible. Even with this difficulty, you shouldn't put off getting life insurance. A policy will only get more expensive as you get older. There's also the risk that you could be diagnosed with another pre-existing condition or health issue that makes you more high-risk to insure.

Similar to medicine, an ounce of prevention is worth a pound of cure when it comes to life insurance. It's much better to have life insurance in place to protect your family than for your loved ones to face the financial realities of life without it.

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