

# Life Insurance

## What is life insurance?

Life insurance is a policy that pays a specified amount of money after your death to a beneficiary, a person you choose. The amount of money the person receives depends on the type of life insurance you purchase. The amount you pay to the insurance company, the premium, depends on the policy you select.

Today more than 200 insurance companies write life insurance policies in the United States. Not all insure cancer survivors. Those that do offer life insurance policies for cancer survivors usually require survivors to pay a higher premium.

You may not want life insurance now. You may not be able to afford life insurance. However, if you think life insurance would help you or your family, options exist for cancer survivors. Survivors who want life insurance should understand the different types of life insurance and how having had cancer affects the type of life insurance they can get.

## What are the different types of life insurance?

### Term Life

Term life is a contract to insure your life for a specified period of time, usually 10, 15, 20, 25 or 30 years. It is the most affordable form of life insurance. You pay a premium monthly, quarterly or annually. If you die during the specified period of time, the beneficiary (the person you leave the policy to) receives a certain amount of money. The shorter the term, the lower the cost.

At the end of the term, you may be able to renew the policy for an additional term by paying more money. Sometimes, however, to renew the policy, you will have to get a physical examination or provide the life insurance company with updated health information. If a survivor has a recurrence or experiences another medical condition, the life insurance company may not be willing to renew the policy.

### Universal

Universal life is a fairly new kind of life insurance. It is called permanent insurance because the price stays the same throughout your life and the policy cannot be cancelled as long as you make the minimum payments. It has flexibility. You can pay less than the full amount and keep your insurance at a lower coverage level. Sometimes you can increase the amount of insurance by paying more.

### **Whole Life**

Unlike universal life insurance, once the premiums for whole life insurance are set, they can't be changed. Whole life also has cash value, which allows you to borrow from the policy. The money is not just for your beneficiary when you die. You can use it while you are living. While borrowing can lower the amount your beneficiary receives when you die, it provides an extra source of money if you need it.

### **Guaranteed Issue Whole Life**

This life insurance is for people with severe health problems. It is not available in all states. Most insurers require that you be at least 40 years old to get guaranteed issue whole life insurance. Most policies only offer up to a \$25,000 death benefit. It is priced based on age and gender and is available to cancer survivors. It is expensive. Most policies do not pay a full death benefit if you die in the first 3 to 5 years after purchasing the policy.

## **Which survivors can get life insurance?**

In order to get life insurance, you must:

- Be in remission or cured
- Be at least three months past the date of your last treatment, or in some cases as long as five years
- Be in general good health
- Be between 21 and 90 years old
- A life insurance company is more likely to insure these types of cancer survivors:
  - Stage I breast cancer
  - Prostate cancer
  - Low grade localized testicular cancer (if you are at least five years from your last treatment)
  - Cancers that were caught and treated early

## **What are some things that make it harder for survivors to get life insurance?**

You may have a more difficult time getting life insurance if:

- You smoke
- Your cancer was Stage 2 or higher
- Your cancer has come back
- Your cancer has spread (metastatic)
- You've had multiple cancers
- You have had cancer combined with heart, kidney or other diseases

## **Do all cancer survivors need life insurance?**

Not everyone needs life insurance. Not everyone can afford life insurance, especially cancer survivors who will probably have to pay more for life insurance than someone who hasn't had cancer.

You might want to think about whether you want or can afford life insurance if:

- You have young children that who you want to provide for after you die.
- You are married and your spouse will need help financially if you die.
- You are supporting your elderly parent.
- You have a mortgage or other major financial obligations.
- If you have a mortgage and live with a partner and/or your family, you may want to have a life insurance policy that covers the mortgage. For example, if you have a 30-year mortgage for \$250,000, then you and/or your partner should each get a \$250,000, 30-year term policy. If either of you dies, the mortgage will be paid in full. If your partner's death results in a big loss of income, more life insurance can really help with the finances.

Even single cancer survivors should consider life insurance. For example, if you had cancer five years ago and are completely in remission, you may be able to get life insurance that costs less. But if you wait, you might have another serious medical problem that could affect your ability to get affordable life insurance.

## **What if I don't tell the life insurance company that I had cancer?**

You must be completely honest with life insurance companies. Before writing you a life insurance policy, all companies review your medical records. If you aren't honest with your life insurance company, you can be denied some or all of your life insurance benefits or your policy can be canceled.

## **Can I get life insurance through my employer?**

If you own or work for a small business, you may be able to get life insurance through work. In most states, insurers are not allowed to use medical underwriting with groups of 2 to 50 people. Medical underwriting is the process that insurance companies use to decide whether or not to accept your insurance application. They use medical underwriting to determine whether to add a waiting period for pre-existing conditions (if your state law allows it) and how much to charge you for life insurance. If they can't use medical underwriting, life insurance companies can't reject you because of your health. For groups larger than 50, insurers can use medical underwriting in some states. In very large groups, there is often no underwriting but there may be a delay in coverage for pre-existing conditions. However, states' rules vary so call your state insurance department to find out their policies.

## **What are some suggestions for survivors who want to get life insurance?**

Be prepared with all of the information the life insurance company will want to know about you.

Get your medical records in advance so you are certain you know the correct answers to all these questions.

### **Local Resources**

**Cancer Lifeline Seattle**  
Dorothy S. O'Brien Center  
6522 Fremont Ave N  
Seattle, WA 98103  
206-297-2100  
[www.cancerlifeline.org](http://www.cancerlifeline.org)

**Seattle Cancer Care Alliance**  
Social Work Department  
825 Eastlake Ave E  
PO Box 19023  
Seattle WA 98109-1023  
206-288-1076  
e-mail [socialw@seattlecca.org](mailto:socialw@seattlecca.org)

### **Works Cited**

Lance Armstrong Foundation Survivorship Topics  
[www.livestrong.org](http://www.livestrong.org)

*This document was produced in collaboration with:*  
David Bershtein