

BLOG

How COVID-19 is Changing Life Insurance

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The COVID-19 pandemic has brought many things front and center, most notably: the need to begin or review one's planning. The impact the pandemic has had on our health, physically and mentally, has been insurmountable. While life insurance has always been relevant, it's never been more top of mind. As we see a rise in our high-net-worth and business owner clients who are updating planning or inquiring about their existing policies, we're tracking the key shifts in the industry.



How Policies Are Being Written Is Changing

We're seeing major changes to the underwriting of life insurance policies since the start of the pandemic. Beforehand, the process to apply for life insurance was tedious, manual, and time consuming. Sometimes, it could take about six weeks or more to complete a policy.

COVID-19 has forced carriers to change old norms. Forward-thinking carriers are beginning to utilize more technology to streamline the application, medical exam and underwriting process. All from an iPad, the entire application process can be completed remotely with easy to fill out applications. Once completed, a carrier can use available medical and prescription data to complete underwriting for policies up to five million dollars in as little as seventy - two hours for clients in good health.

More People Are Applying and Updating Their Policies

Applications for Life insurance policies have risen by 1.5% in the first half of 2020. But more telling is the rise in requests from a younger demographic - policies written for people under age 44 have risen by 3.4%, and for people between 45 - 59 by 0.5%, according to the [MIB Life index](#).

For young people, COVID-19 has brought to light the importance of planning, but for our high-net-worth and business owner clients, reviewing existing planning strategies and in-force life insurance coverage has become a priority.

In a Presidential election year and the potential for big changes to come, high-net-worth families and business owner's have significant opportunities to incorporate creative insurance based strategies as part of comprehensive updates to a tax and estate planning or business succession programs.

A COVID-19 Diagnosis Could Affect Future Policies



As with any potential medical condition, having a COVID-19 diagnosis could affect one's insurability or the timing as to the access of coverage. Whether you're applying for a new policy to protect your family's financial future or its application in for business, estate and tax planning, life insurance has never been more important than it is today. We can't control what our futures hold, but we can prepare for the inevitable. Have you reviewed your policy recently?

Want to learn more?

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