

Run for your life

Permanent life insurance premiums are set to soar

If you're considering buying permanent life insurance, you may want to get moving, because rates could be going up soon.

The cost of universal life and "term 100" policies—two types of permanent insurance that carry level premiums for pretty much as long as you live—have been virtually identical for 15 years. For instance, today a healthy 40-year-old male pays about \$52.24 a month for every \$100,000 of term-100 coverage, compared with \$52.91 in 1995.

Some industry insiders say that's about to change, thanks to our unusually low interest rate environment. "We're long overdue for a fairly large rate increase on permanent insurance, but no company wanted to be the first," says Glenn Cooke of online insurance broker InsureCan.com. That changed in October when one company blinked: Manulife Financial announced it would raise premiums

by an average of 10% on universal life policies, effective December 4. They'll also hike the cost of term-100 insurance in March.

Cooke explains that all companies benchmark rates against their competitors, so an across-the-board increase is likely to follow. He thinks the dominoes will start falling early in the new year. "It will be a mad rush to see who can raise their rates the fastest."

But before you rush out and buy permanent life insurance, you should take a look at term insurance first. It has no

investment component and only covers you for the duration of the term, not for life. Still, if your primary goal is to make sure your spouse and kids aren't left without income if you die prematurely, term insurance is often a much cheaper way

to go. **DAN BORTOLOTTI**

