

Ex-smokers urged to review life insurance for possible savings

Statistics from the Tobacco Institute of Southern Africa revealed a 30% decline in the number of adult smokers over the past 10 years. This, combined with proposals for stricter regulations governing smoking in certain outdoor public places, is likely to result in a fall in the number of smokers locally. However, many of these people do not realise they may be overpaying for their life insurance if they have quit for over a year but have not informed their insurance provider.

David Counihan says if you stopped both smoking and using nicotine-replacement products for over 12 months, you should qualify for a reduction in the cost of their life insurance.

Examples of two Calreg clients who stopped smoking

A – A 49 year old self employed business man enjoyed the following savings:-

- | | |
|---------------------------|-----|
| a. Critical illness cover | 47% |
| b. Disability cover | 33% |
| c. Income protection | 30% |

B – A 44 year old housewife saved 35% on her life policy.

David did a R1,000,000 life cover quote for a smoking 32 year old man last week. He will have a R314.00 monthly premium. As a non smoker he would pay R203.00 a month.

Many South Africans are quitting smoking; citing social and economic pressures.

To put the insurance costs of smoking into a better perspective, let's look at the savings of Mr A & Mrs B above and explain them **the increased cost of insurance**.

So Mr A will pay an **additional 88%** in Illness cover. That means instead of paying R500.00 he will have to pay R940.00 per month – **that's as good as double!**

He will pay and an **additional 48%** extra for disability cover – **that's almost 1 ½ times** more for the same cover.

The same could be said for his Income Replacement

For Mrs B it will cost slightly more **1 ½ times more** for the same cover.

So; if you have stopped smoking, or know someone who has, contact me, so that we can get your policy reviewed.

Regds

Dave Counihan