

What is the connection between risk and life insurance?

Life insurance, like other types of insurance, is based on the concept of sharing risk. For example, everyone understands that people who are 95 years old are far more likely to die in the coming year than those who are 35.

In the 17th century, Edmund Halley, the English astronomer for whom Halley's Comet is named, created the first scientific table to reflect how long people would be expected to live – a mortality table. Insurance companies use mortality tables to help them calculate the risk that members of various age groups will die. This permits life insurance companies to accurately calculate how much they should charge people who want to purchase life insurance coverage.

Ready to get a Life Insurance Quote?