

## Cost of Life and Critical Illness Cover Set To Rise With New EU Directive

Thursday 29 November, 2012

From 21st December 2012 a new EU Gender Directive will come into force that will impact the cost of [life and critical illness cover](#) for both new and existing customers across Europe.

This directive stipulates that it will no longer be lawful for Insurance companies to price their policy premiums based on an individual's sex.

Historically, the price of an insurance policy has always reflected the risk associated with the cover provided. While this risk can be significantly different depending on the gender of the holder.

As the life expectancy of the average woman is generally higher than that of a man, life cover premiums are traditionally lower for the female sex.

In the same way, women also suffer from less serious illnesses than their male counterparts, which has been reflected in the lower cost of critical illness policies for females in the past.

However, with the introduction of this new legislation, this is all set to change.

Insurance companies are now under pressure to bring men and women's policies inline, which means significant rises in the cost of life and critical illness for women. Such raises are expected to impact both the renewal of existing policies and the creation of new cover for women of all ages.

In anticipation of this price hike, women who are aware of the changes are now reassessing their insurance requirements and making the necessary arrangements before 21st December to protect themselves against the changes.

"Because of the gender-neutral pricing, this will result in higher insurance premiums across many different products." said Steven Keogh, Head of marketing for [www.friendlyfinance.co.uk](http://www.friendlyfinance.co.uk).

"In particular, we have seen a significant rise in clients renewing their life and critical illness polices to take advantage of the current lower premiums and to tie these costs down for the long term."

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