Why Term Premiums Increase

We have 1000 men. Each want to provide $10,000 to their beneficiary at death. They intend to pre-fund this.

Example:

3 guys will die at age 25. (3 x $10,000 = $30,000 loss) $30,000 divided by the 1000 men in the group = $30.00, always 1000 men

Age	# of Dead Guys	Cost to the Group	Premium
25	3	$30,000	$30
45	10	$100,000	$100
65	25	$250,000	$250
85	45	$450,000	$450