

Make sure that you fully understand any policy you're considering and that you're comfortable with the company, agent, and product. Most states require insurers to provide a buyer's guide to explain life insurance terms, benefits, and costs. Ask your agent for a copy of the life insurance company's guide and follow the tips below:

BEFORE PURCHASE

- Check with your state insurance department to make sure the company and agent are licensed in your state.
- Look for a company that is reputable and financially strong. A number of insurance rating services rate the financial strength of companies. You can get such information from your agent, on the Internet, or at public or business libraries. Rating agencies include A.M. Best Company, Fitch Ratings, Moody's Investor Services Inc., Standard & Poor's Insurance Ratings Services, and Weiss Ratings.
- Ask for outlines of coverage so you can compare the features of several policies.
- Always answer questions on your life insurance application truthfully.
- Be sure your application has been filled out accurately. Promptly notify your agent or company of errors or missing information.
- When you buy a policy, make your check payable to the insurance company, not the agent. Be sure to get a receipt.
- Beware of offers for "free" life insurance. Investors may approach some seniors to offer them money to buy life insurance and then sell the policy to the investors. The investors expect to profit by receiving the death benefit when the senior dies. Often called stranger-originated life insurance, legislators and regulators are concerned about these transactions because they violate public policies against wagering on human life. Also, there may be hidden pitfalls, such as unexpected taxes, fees, and loss of privacy.
- Contact the company or agent if you don't get your policy within 60 days.
- Always check the date the insurance becomes effective.

AFTER PURCHASE

- After you've bought an insurance policy, you may have a "free-look" period—usually 10 days after you receive the policy—when you can change your mind. During that period, read your policy carefully. If you decide not to keep it, the company will cancel the policy and give you an appropriate refund. Information about the free-look period is in your contract.
- Keep your life insurance policy with your other financial records or legal papers, or anywhere your survivors are likely to look for it. However, don't keep your policy in your safe deposit box. In most states, boxes are sealed temporarily upon the death of the owner, delaying a settlement when funds may be needed most.
- Contact your original company, agent, or financial advisor before cancelling your current policy to buy a new one. If your health has declined, you may no longer be insurable at affordable rates. If you replace one cash value policy with another, the cash value of the new policy may be relatively small for several years.
- If you have a complaint about your insurance agent or company, contact the customer service division of your insurance company. If you're still dissatisfied, contact your state insurance department. A state insurance department directory is available on www.acli.com.
- Review your policy from time to time or when a major event occurs in your life—such as a birth, job promotion, divorce, remarriage, or retirement—to be sure your coverage is adequate and your beneficiaries are correctly named.
- Visit www.acli.com for more consumer resources and information about life insurance.

The American Council of Life Insurers (ACLI) is a Washington, D.C.-based trade association with approximately 300 member companies operating in the United States and abroad. ACLI advocates in federal, state, and international forums for public policy that supports the industry marketplace and the 75 million American families that rely on life insurers' products for financial and retirement security. ACLI members offer life insurance, annuities, retirement plans, long-term care and disability income insurance, and reinsurance, representing more than 90 percent of industry assets and premiums. **www.acli.com**.

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