

Life Insurance Cautions

Knowing what type of life insurance policy to buy, who to buy it from, and what to consider when you buy a policy can be confusing and even overwhelming. Here are some tips to think about before you buy a policy:

- Beware if it sounds too good to be true.
- Never ignore notices from the insurance company even though your agent tells you it's a "mistake" and nothing to worry about.
- Be careful of any life insurance plan that promises "vanishing premiums" or guarantees you a premium-free policy over a specific period.
- Don't buy life insurance portrayed as a "pension plan" or a "retirement fund." Life insurance is NOT a pension plan.
- Don't let someone pressure you. You do NOT face any deadlines.
- Never buy coverage you don't understand. It is the responsibility of the agent, broker, or company to explain your coverage in terms you can understand.
- Save every piece of paper explaining your coverage and your policy. Keep them on file with your policy. (If the agent used a laptop computer, insist on a hard copy version of what he or she showed you.)
- Every new insurance policy issued in Washington state comes with a 10-day "free look" period. If you change your mind and return the policy during those 10 days, the company must return your premium to you within 30 days.
- Don't cancel or let your old coverage expire until your new policy takes effect.
- If an agent or broker tries to sell you life insurance as an investment with a high return, insist that he or she show you that specific guarantee in your contract.

- If someone offers you a chance to turn in a small policy for a larger one without paying substantially more, **WATCH OUT!**
- Never give money to an agent or broker without getting a receipt.
- Never sign a form that includes blank spaces, even if the agent or broker assures you it is merely a formality.
- Never buy insurance from an unlicensed agent or an unauthorized company. You can check to see if an agent is licensed by calling the Insurance Consumer Hotline at 1-800-562-6900.

The Office of the Insurance Commissioner can help you!

If you have any questions or need additional information about your rights, call our Insurance Consumer Hotline at

1-800-562-6900

or visit our Web site at

<http://www.insurance.wa.gov/>