

# A Message from Our Office

Protecting and educating consumers is one of our top priorities. To get the best value for their money, and to determine whether their insurance needs are met, consumers must become informed about their insurance options.

This brochure provides a brief overview of life insurance as well as important tips that may help you control your insurance costs.

If you have any questions, or need additional information about any type of insurance, please contact The West Virginia Offices of the Insurance Commissioner's Consumer Service Division toll-free at **1-888-TRY-WVIC** or **304-558-3386**, weekdays from 8 a.m. to 5 p.m.



## Shopping for Life Insurance

Comparison shopping is key to getting the most for your insurance dollar. There are more than 300 licensed life insurance companies doing business in the State, so there are plenty of places to shop. Some basic tips to follow when shopping for life insurance are as follows:

- Familiarize yourself with the types of policies available.
- Determine which type of policy best meets your current needs and is flexible enough to be changed later.
- Get quotes for comparable benefits from several different companies.
- Ask friends and relatives for recommendations.
- Use the Internet as a resource for insurance information.
- Ask about future variability of premiums and benefits.
- Ask about the guaranteed and non-guaranteed premiums or benefits and how they are calculated.
- Seek additional information.

You may get an illustration from the agent or company that helps explain what to expect and how the policy will work. The illustration will show how the benefits that are not guaranteed may change as interest rates and other factors change. You may get an index where you can compare costs for several similar policies.

## What Factors May Impact Rates ?

In order to give you an accurate quote, an agent or company may request the following information:

- Your age and gender
- Questions about your health status
- Whether or not you smoke or use tobacco
- Detailed information regarding your lifestyle and occupation
- You may be asked to undergo a medical examination
- Amount of coverage

Once your level of risk has been determined, the company will group you with other policyholders who have similar risk characteristics. The rate you would pay with a particular company will depend on the experience of that risk group.

## What About the Policy You Have Now ?

If you are thinking about discontinuing your current life insurance policy, here are some issues that you should consider first:

- If you decide to replace your policy, do not cancel your current policy until you have received and reviewed the new one. West Virginia law allows you a 10 day "free look" period to decide whether to keep a life insurance policy.
- It may be costly to replace a policy.
- Ask your tax advisor if canceling your policy could affect your income taxes.
- You may have valuable rights and benefits in your current policy that are not available in the new one.
- If the policy you have now no longer meets your needs, you may be able to change your policy to get the coverages or benefits you want.
- In the beginning, a policy may pay no benefits for some causes of death which are currently covered in the policy you have now.
- Before replacing your policy, ask your current agent or company for an updated illustration.



## How Much Do You Need ?

Here are some questions to ask yourself:

- How much income do I provide to others?
- Can I set aside money for my children to finish their education, etc. in the event of my death?
- How will my family pay final expenses and repay my debts?
- Will there be estate taxes to pay after my death?
- How will inflation affect future needs?
- How much coverage do I need now and in future years?

As you figure out what you must have to meet those needs, count the life insurance you have now and the terms of that coverage. Include any group insurance where you work or veteran's insurance. Don't forget Social Security and pension plan survivor's benefits. Add other assets you may have such as: savings, investments, real estate and personal property. Consider which assets would your family sell or cash in to pay expenses after your death.



[www.wvinsurance.gov](http://www.wvinsurance.gov)