

# Life Insurance Awareness Month

A term life insurance policy pays out if you die during the policy term. It might be appropriate if you are the primary wage earner for your family or if your spouse relies on you to pay the mortgage. Term policies are typically written for one, five, ten or twenty years. This type of life insurance is typically less expensive in your younger years than permanent forms of life insurance.

A cash-value insurance policy is permanent life insurance. This policy will provide coverage throughout the policyholder's life. It comes in a variety of forms including whole life, universal life or variable life insurance. These various forms offer a cash value savings component which can be used for a variety of purposes, including loans, as a source of cash or to pay the policy premium.

**Comparison shop.** Life insurance is a competitive marketplace, and much of that competition is focused on price. After you have decided which kind of life insurance is best for you, compare similar policies from different companies to find which one is likely to give you the best value for your money.

## Things You Should Know

**Know your company:** Review the financial stability of the insurance company. Check with your state insurance department to verify that the company is authorized to do business in your state.

**Read your policy carefully before signing:** Never buy a policy you don't understand. If you are given illustrations or booklets, save these materials with your policy. Make sure you understand the guarantees in your policy and the surrender penalties if you choose to drop the policy at any time. Ask your agent or company about anything that is not clear to you.

**Regularly review your policy and update accordingly:** Every few years, review your life insurance program with your agent or company and keep up with changes to income and your needs. Double-check that your beneficiaries are still the same. Review your net worth to reconsider the prospects your survivors may face when you pass away.

**Consider replacement cost:** It may be costly to replace your insurance if you change your mind during the early years of the policy. Don't drop one policy and buy another without a thorough study of the new policy and the one you currently have.

## Quick Tips

Review your needs and determine how much life insurance to buy. Consider your financial responsibility to your dependents and what expenses there might be after death.

Get quotes from multiple companies and research each insurer to make sure it is reputable.

Don't sign anything you don't understand. Ask your agent or insurer if you have any questions about your policy.



Louisiana Department of Insurance  
Jim Donelon, Commissioner

1-800-259-5300  
[www.lidi.la.gov](http://www.lidi.la.gov)