

INSURANCE

UNDERSTANDING LIFE INSURANCE

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Life insurance pays a death benefit if you die while the policy is in effect, in exchange for premiums you pay before your death. You or your named beneficiaries can use the death benefit to protect against financial hardships such as loss of your income, funeral expenses, medical or nursing care expenses, debt repayments, and child care costs after your death. Get additional information at: <https://content.naic.org/consumer/life-insurance.htm>

IF YOU NEED LIFE INSURANCE, DECIDE HOW MUCH COVERAGE TO BUY

How much life insurance to buy depends on your financial needs after your death, including supporting your family, paying for child(ren)'s education, and paying off a mortgage. Ask yourself:

- Does anyone depend on me financially?
- How much of the family income do I provide?
- How will my family pay my final expenses and repay debts after my death?
- Do I want to leave money to charity or family?
- If I have life insurance through my employer, is it enough to meet my financial obligations?

Answers to these questions can help you decide how much coverage you need. An insurance agent, financial advisor, or insurance company representative can help you evaluate your insurance needs and give you information about available policies.

IF YOU ALREADY HAVE LIFE INSURANCE, ASSESS YOUR CURRENT POLICY

Compare your current policy with any new policy you might buy. You



may be able to change your current policy to get benefits you want. Know that any changes in your health may impact your ability to pay premiums or get a new policy. Don't cancel your current policy until you get the new one. You may have free or low-cost life insurance through your employer, but the death benefit usually is less than you need. And, if you leave the employer, you may not be able to take this coverage with you.

THE DIFFERENT TYPES OF LIFE INSURANCE

There are many different types of life insurance policies. However, they fall into two classes of life insurance products: term and cash value.

- Term life insurance, also known as pure life insurance, guarantees payment of a stated death benefit if the covered person dies during a specified period of time (the "term").

- Cash value life insurance provides coverage for the policy holder's life. These feature a cash value savings component. Policyholders can use the cash value for many purposes, such as a source of loans or cash or to pay policy premiums.

Take time to explore your options and potential needs with a trusted advisor before you make a commitment. Choose a policy that fits your individual needs. Compare the different policy types and benefits in the NAIC Life In-

urance Buyers Guide at: <https://content.naic.org/sites/default/files/publication-lig-lp-consumer-life.pdf>

NOT SURE IF YOUR LOVED ONE HAD A POLICY?

Each year, millions of dollars in life insurance benefits go unclaimed by beneficiaries who can't find their deceased loved ones' policies or, in some cases, may not even know the policies exist. You can use the NAIC Life Insurance Policy Locator to find lost life insurance policies. The NAIC Life Insurance Policy Locator has matched more than \$1 billion in life insurance benefits and annuities to beneficiaries.

The Life Insurance Policy Locator is a free online tool operated by the National Association of Insurance Commissioners (NAIC) since 2016, and is located at:

<https://eapps.naic.org/life-policy-locator/#/welcome>

The online policy locator requests are secure, confidential, and free. This service is open to the public, including beneficiaries and legal representatives.

If a requester is a beneficiary and is notified by the company that a lost policy has been found, what information do people need to request their benefits?

Typically, a certified death certificate and company claim form must be submitted to the insurer who found a policy.

How long does it take for a request to be completed?

It may take up to 90 business days. Note that a requester will not receive a response if no matches are found, if the requester is not the beneficiary, or if the requester does not have legal authority to obtain information about the policy.



Wyoming Department of Insurance
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