

Buying Insurance: What savvy consumers should know

You're ready to buy an insurance policy, but you feel a bit uneasy embarking into the insurance world. After all, the language can be technical, and you're wary of insurance agents throwing sales pitches at you. Whether you're buying an auto policy, a homeowners policy, a life insurance policy, or some other type of policy, here are some general tips to help you tread the insurance waters.

Comparison Shop

Perhaps the single most important thing you can do when buying insurance is to shop around. You don't want to rely on a quote from just one company. Compare the policies and prices of several different insurance companies. Prices can vary by hundreds of dollars depending on the benefits offered and the company's internal pricing strategies. Try to compare policies that offer identical benefits.

Don't buy features you don't need

If you discover policies that offer slightly different features, make sure you understand what these features are and whether you need them. Don't buy any benefits you don't need—additional benefits can increase the cost of your policy. If you need help, ask your insurance agent.

Don't automatically settle for the cheapest policy

It's easy to select the cheapest policy. But unless such a policy offers the same benefits as a more expensive policy, think twice. You get what you pay for. And even if the benefits are the same, you'll want to examine other factors, like the company's customer service record or claims-paying ability.

Know the company's financial-strength rating

All insurance companies are rated by the major rating agencies: Standard & Poor's, Moody's, A. M. Best, Fitch, and Weiss. This rating reflects the company's ability to meet its obligations (pay its claims) under its insurance contracts. Though such a rating doesn't guarantee a company's future financial strength, it's a good yardstick to measure a company's current financial security. These ratings can usually be found in public libraries or on the Internet.

Understand a policy before you sign it

An insurance policy is a legal contract that can be full of legal jargon and technical terms. Before you sign on the dotted line, make sure you understand the details of each policy provision and the coverage you're buying. You'll want to be able to answer the following questions:

- Who or what is protected?
- When does coverage begin?
- How much coverage is provided?
- How should a loss be reported?
- What happens if there's a disagreement over whether coverage exists for a particular loss or event?
- What isn't covered (exclusions and limitations)?

Don't succumb to sales pressure

In some cases, you may feel pressured to buy a policy. The worst thing you can do is make a hasty decision. If you have any doubts, take a day or two to think about it.

Can you get a "free look"?

"Free look" laws allow you to examine a policy for a certain period of time after you've bought it and then return it for a full

refund if you're not happy. Whether you're allowed to do this depends on state law, and the time you have to examine the policy varies, typically ranging from 10 to 30 days. Most states that offer a free look apply it to life, health, and/or long-term care insurance.

[Speak up about any problems](#)

If you have any complaints about your insurance agent or company, don't hesitate to contact the customer service department of your insurance company. Keep notes of telephone conversations (including the name of the person you spoke with), along with copies of correspondence. If the problem isn't resolved to your satisfaction, contact your state's insurance department.

[Evaluate your insurance needs periodically](#)

Just because you've purchased a particular type of policy doesn't mean that you're done with it forever. From time to time, you should evaluate your current situation and make sure that your original policy still fits your needs, and that the information has been updated. You can also do a little comparison shopping to make sure that you're still getting the best insurance deal.

For additional help, contact your insurance agent and ask him or her to walk you through the document.

We're here to help! [Contact Sentinel Benefits & Financial Group](#) for the guidance you need.

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