

# Shopping for Life Insurance

You've decided to buy some life insurance, but with so many insurance companies and so many products to choose from, shopping for coverage can be a bit of a challenge. Fortunately, with a little homework and the right help, you may be able to find a policy that suits you at a good price. Here are some guidelines to help get you started.

## Size Up Your Situation

Before you can start shopping for life insurance, you have to know what you're looking for. First, what type of policy do you want? Many different types of policies are available, including term life insurance and several varieties of cash value life insurance. Because each type has its own unique features, you should understand the differences and select the one that best meets your needs. Next, how much life insurance coverage should you have? That typically depends on your income, your assets and debts, your financial goals and obligations, and many other factors. Choosing the appropriate amount of coverage is critical because you want to be adequately protected, but you don't want to pay for more coverage than you need. Finally, you should figure out how much premium you can reasonably afford. A professional can help you sort out these issues.

## Evaluate Insurance Companies

A life insurance policy is only as good as the company behind it. That's why it's crucial to carefully research and evaluate companies before you pick one. Start with some basic questions. How long has the company been in business? Is it a trusted, reputable name in the industry? How many different types of insurance does it sell, and is life insurance one of its main products? Visit the company's website to learn more about it. In addition, there are many consumer websites and print resources that can give you more objective information. You can also rely on word-of-mouth references from people you trust. You can even contact your state's insurance department for certain information, such as customer complaints lodged against a company.

Finally, there are independent firms that make a business of rating insurance companies, usually on a letter-grade scale. The ratings are typically based on such factors as an insurance company's financial soundness, the performance of its investments, and its record of paying claims in a timely manner. Some well-known ratings service firms are A. M. Best, Standard & Poor's, Fitch, Moody's, and TheStreet.com (formerly Weiss). These firms may charge a fee for the ratings they provide, but it may be worth it if you're serious about evaluating insurance companies.

## Comparison Shop, Comparison Shop, Comparison Shop!

How much you'll pay for life insurance coverage depends on your age, gender, health, family history, occupation, lifestyle, and other variables. The kind of policy and the amount of insurance you need will determine the premium. However, different insurance companies may charge widely different premiums for similar coverage. That is why finding the right policy at a good price takes some comparison shopping. Once you've narrowed your list of companies down to a few, get a price quote from each company for the coverage you're seeking. You can phone many companies directly and get quotes from their customer service reps. You can also use computerized quote services and other on-line resources. And, of course, you can always enlist the aid of an insurance professional.

But keep in mind, there's more to comparing life insurance policies than just premium comparisons. This is particularly true for cash value policies. Some policies have surrender charges or other costs that may affect the total cost of the policy. Also, even if two policies offer the same level of coverage and seem identical in every way, they may not be. One policy may contain provisions and features that are more favorable to you. For example, some cash value policies have more flexible withdrawal provisions than others. Read the fine print before you buy anything, and try to compare apples to apples.

## Go it alone or use a professional?

If you have the time and fancy yourself a savvy consumer, you may be able to save money by shopping for life insurance on your own. However, if you're like many consumers, you may be better off using a professional. A qualified professional can assist you with this entire process, starting with assessing your life insurance needs and choosing the right type of policy. He or she can help you evaluate insurance companies, do detailed policy comparisons, and balance cost against other issues. A

professional can also interpret policy language and identify policies that are too restrictive for you.

If you decide to use a professional, understand your choices. You can go to someone who will sell you a policy (e.g., an agent or broker), or you can get advice from an insurance or financial professional. Whomever you use, you should screen them carefully. In fact, you should shop for the right person much as you shop for the insurance itself. Ask friends and family to recommend someone. And don't be afraid to interview people you're thinking of working with. Some good questions to ask are:

- How long have you been selling life insurance?
- What are your professional credentials?
- How do you get paid (e.g., commissions, fees, bonuses)?

## Explore All of Your Options

You have many options when shopping for life insurance. In addition to shopping through the traditional agent/broker channels, many banks offer good life insurance products at relatively low prices. You might also look into group life insurance that a professional association or other organization offers. Also, if you haven't already, sign up for any group life insurance that your employer offers. Though the coverage is often less than what you might need, the cost is often lower than what you might otherwise be able to buy as an individual.

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

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