

# 10 THINGS

## You Should Know Before Purchasing Life Insurance

1

### Review Your Insurance Needs

An insurance agent can help you evaluate your insurance needs and give you information about available policies.

2

### Decide How Much Coverage You Need

How will your family pay expenses and debts after your death? Based on this question, decide how much coverage you need, for how long and what you can afford to pay.

3

### Assess Your Current Life Insurance Policy

Take a close look at your current policy. If your needs have changed, you may be able to adjust your policy to get the coverage and benefits you need now.

4

### Compare The Different Kinds of Insurance Policies

There are two basic types of life insurance: term and permanent. Term insurance generally has lower premiums in the early years, but does not build up cash values that you can use in the future. There are several types of permanent life insurance — find out more at [Life.InsureUonline.org](http://Life.InsureUonline.org).

5

### Be Sure You Can Afford the Premium Payments

Before purchasing a life insurance policy, be sure that you can handle the premium payments. If the premium increases later, will you still be able to afford it?

6

### Have an Insurance Agent Help You Evaluate the Future of Your Policy

If you have a permanent policy, how quickly does the cash value grow? Some policies have low cash values in the early years that build quickly later on. Other policies have a more level cash value build-up.

7

### Keep Your Current Policy

It is important that you do not drop one policy and buy another without a thorough study of the new policy and the one you have now. Replacing your insurance policy may be costly.

8

### Understand Renewal Policies

You can renew most term insurance policies for one or more terms even if your health has changed. Each time you renew the policy for a new term, premiums may be higher.

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### Read Your Policy Carefully

Do premiums or benefits vary from year to year? How much do the benefits build up in the policy? Get answers by reading your policy thoroughly.

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### Review Your Life Insurance Program Every Few Years

How will inflation affect your future needs? Do you need more insurance when your family size increases? Review your policy every few years to keep up with changes in your needs.

## NEED HELP?

Contact the Arkansas Insurance Department Consumer Services Division at 800-852-5494.

