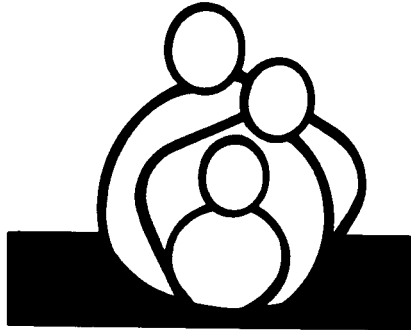
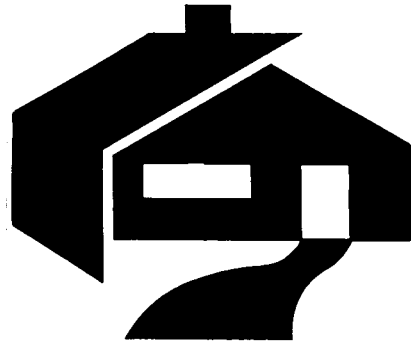
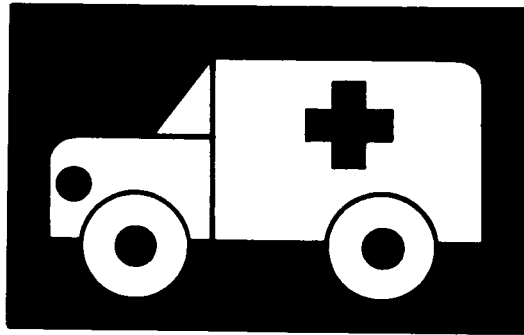


# Reducing Your Life Insurance Costs



HE-660

Alabama Cooperative Extension System, Alabama A&M and Auburn Universities

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## Reducing Your Life Insurance Costs

Insurance is expensive, but if you need it, you can't afford not to have it. There are ways to cut insurance costs.

- Start by comparison shopping. List details about each policy, such as **premium** amount, **death benefits**, and **cash surrender** value. Insurance companies vary in what they charge for the same amount of coverage.
- If possible, pay your premiums once a year instead of every month or on a credit plan. Doing so could save money.
- Buy one large policy because larger policies often sell for less per thousand dollars of coverage. Avoid getting several different insurance policies.
- Check out group insurance. Group insurance often costs less than individual insurance, especially if your employer helps pay the premiums. But remember, a group insurance plan alone may not offer enough life insurance to meet your needs.

Many companies give you at least 10 days to examine a policy and return it for a refund if you aren't satisfied. Ask your company or agent about this option.

Insurance is complicated. Even when you have studied the choices, a well-trained insurance agent can help you. Be sure you check out and understand insurance options. Before you visit an agent, find out about insurance options. See other circulars in this series on life insurance. You need to know enough about the coverage to decide when suggestions made by an agent are in your best interest.

You can learn more about insurance through the National Insurance Consumer Organization (NICO), which is a not-for-profit educational organization. For information, write NICO, 121 N. Payne Street, Alexandria, VA 22314; or call (703) 549-8050.

You also can get information about insurance from the American Council of Life Insurance (ACLI). For free booklets about insurance, write ACLI, 1001 Pennsylvania Avenue NW, Washington, DC 20004-2284; or call toll-free, 1-800-423-8000.

Your local library may also have information about kinds of insurance.

### **When You Have An Insurance Policy**

Once you buy an insurance policy, don't hide it away and forget about it. You need to update it as your family situation changes. These suggestions will help.

- Think about your insurance program every couple of years and revise it as needed. Insurance that met your needs at age 25 may not meet your needs when you are 40 or 60.
- Keep your policy and policy number in a safe deposit box, if possible. Also keep a photocopy at home with your other legal papers.
- Inform your insurance company about address changes.
- Write out instructions to your **beneficiaries**. Describe your insurance policies and the name of your agent. State any choices they may have in settlement. Point out that your agent will help them fill out the proof-of-claim papers. Keep these instructions in a safe place.

If you need help with your insurance, contact your agent first, then the company. If you have a problem the agent or company can't solve, the Alabama Insurance Commission may be able to help you. Write to the commission at Room 453, Administration Building, 64 N. Union Street, Montgomery, AL36130; or call (334) 269-3550. Be sure to have a list of all details about your policy and the problem before you contact the Alabama Insurance Commission. Include in your letter the policy number, the name and address of the insurance company, the name and address of the insured, date purchased, and the problem with specific details.



**Fred Waddell**, *Extension Family Resource Management Specialist*, Associate Professor, Human Development and Family Studies, Auburn University. Originally prepared by **Josephine Turner**, *Extension Program Specialist*, Professor, Human Development and Family Studies, Auburn University

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**For more information**, call your county Extension office. Look in your telephone directory under your county's name to find the number.

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