



Informing Seniors

Purchasing the right insurance that meets your needs can be challenging. Insurance can be one of the most important ongoing purchases you make to protect yourself and your family from financial hardship. Since your needs and financial situations change over time, please review your insurance policies to decide if the same policies are still right for you. If you are considering buying, reviewing, or replacing insurance, then the following insurance tips can be of assistance.

1. Check out your agent and company

Call the California Department of Insurance (CDI) at 800-927-4357 or visit our website www.insurance.ca.gov to see if an agent or company is licensed to sell insurance in California. Agents are required to print their license numbers on all business cards, quotations, and advertisements.

2. Never be pressured or intimidated by an agent

Do not purchase insurance at the first meeting. Seek the advice of someone you trust. Agents should never use high-pressure sales tactics.

3. Answer all questions on the application correctly

Omitting or falsifying information can cause the company to deny your claim or cancel your policy. Never leave blanks. Dishonest agents can take advantage and fill in the blanks without your approval.

4. Never sign anything you don't understand

Ask the agent questions and take notes for comparison. It is always a good idea to have a record of what was said for future reference. If an agent is unwilling to explain a policy to your satisfaction, then do not sign the application or buy the policy.

5. Compare policies carefully

It is important to buy the best coverage that meets your needs and budget. Do not buy coverage you cannot afford and never pay with cash. Make checks payable to the insurance company or agency name. Also, be aware of duplicate coverage between policies you own and policies you are considering.

6. Always read your policy

Most life and health policies have a "free-look" period of between 10 to 30 days. Do not delay opening your mail, as insurance information is often time sensitive. Use the opportunity to make sure the policy you received is exactly what you purchased.

7. Keep your policy in a safe place

Tell a trusted family member, friend, or financial advisor where you keep all your important documents, including your insurance policies. If you should become ill or pass away, this will assist the timely processing of any claims made upon the policies.

Tips for Car Insurance

Remember that automobile insurance companies cannot deny seniors coverage simply because of age, but coverage can be denied for a variety of other reasons. The most common reason applicants are denied coverage is if they are considered high-risk drivers. This usually means someone with multiple traffic violations, such as DUI or DWI convictions, and/or numerous at-fault accident claims. However, rather than deny coverage altogether, most insurance companies will simply offer coverage at significantly higher rates. Fortunately, unless a senior has exhibited driving behavior that is considered high-risk, it is likely that the age will only affect coverage if the senior is unable to meet the state's medical requirements for obtaining and maintaining a driver's license.

Senior Insurance Bill of Rights (SIBOR)

It is illegal for an insurance agent, broker, solicitor, or insurance company to misrepresent the terms or benefits of any insurance policy. If you are contemplating purchasing a new or replacement policy, please take note of the following precautions:

- Obtain all proposals in writing.
- Do not be pressured into buying any insurance products. Take enough time to review the information before making any decisions.
- Do not sign anything you do not understand.
- Consider having a trusted family member, friend, or financial advisor participate in the discussions concerning the purchase of any insurance products.
- Make sure the agent, broker, and insurance company are properly licensed to sell the product you are considering purchasing.

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- If you apply for insurance and are refused, you may ask your insurance company for a written explanation of the specific reason for the refusal or denial of your request. Additionally, under SIBOR, there are special protections related to certain insurance products.

Life, Annuity, Long-Term Care, and Medicare Supplement

- Free look provisions – you may review a policy of Life Annuity, Long-Term Care, or Medicare Supplement for 30 days after you received the policy in order to decide whether you wish to keep the policy. If you return the policy to the company by the 30th day after receipt, you are entitled to a full refund of the premium paid, in a timely manner.
- Replacement consequences – a “Replacement” occurs when the consumer cancels or surrenders an existing policy and purchases a new policy. You must receive a full disclosure of all information relating to the benefits and possible negative consequences regarding the replacement.

Life Insurance and Annuities

You must be provided with a written notice from any person who meets with you in your home in connection with the sale of a life or annuity policy. This notice must be provided to you at least 24 hours prior to the meeting and must include:

- The reason for the meeting,
- Invite others to the meeting, including family members,
- End the meeting at any time,
- Contact CDI for information or to file a complaint,
- The name, license number, mailing address, and telephone number of all persons coming to your home.

Annuities Only

The law requires insurance agents to ask you questions about your financial situation to make sure the annuity you are purchasing is suitable for your needs and circumstances. An insurance agent who attempts to sell an annuity or financial product in connection with eligibility for Medi-Cal must provide a written disclosure regarding your Medi-Cal eligibility.

Long-Term Care Only

Be sure the agent has provided you with an outline of coverage, including all benefits and limitations, the Long-Term Care Insurance Personal Worksheet, the HICAP notice, and the shopper’s guide developed by the California Department of

Insurance. You may designate another person to receive lapse or termination of coverage notices for nonpayment of premium for Long-Term Care insurance.

Medicare Supplement Only

Before purchasing a Medicare Supplement policy, be sure the agent has provided you with a four-part outline of coverage, including all available plans, premiums, and benefits. You have the right to transfer to an equal or lesser Medicare Supplement plan during the 60-day open enrollment period commencing with your birthday. Insurance companies must advise you of this right at least 30 days and no more than 60 days prior to your birthday.

Term Life Only

Any advertisement connected to the sale of Term Life Insurance must prominently disclose any change in premium or benefits resulting from the aging of the insured.

Filing a Complaint (Request for Assistance)

CDI is committed to protecting your rights. Many questions can be answered over the phone. If we are unable to resolve the issue over the phone, you have the option of filing a Request for Assistance against the insurer or the agent/broker by mail or on-line on our website. The system will allow you to attach copies of all necessary documents, such as policies, canceled checks and correspondence.

Some examples of the issues the Department may be able to help with include:

- Improper Denial of Claim
- Cancellation or non-renewal of a policy
- Delay in settlement
- Alleged misappropriation of premiums paid
- Alleged misrepresentation by an Agent/Broker or solicitor
- Unfair underwriting practices
- Dishonest or deceptive insurance sales tactics

Contact Us

Consumer Assistance Hotline:

1-800-927-4357

TTY 1-800-482-4833

Visit us on the web at:

www.insurance.ca.gov

To order additional materials contact

Community Relations & Outreach at:

crob@insurance.ca.gov



Led by Insurance Commissioner Ricardo Lara, the California Department of Insurance is the consumer protection agency for the nation’s largest insurance marketplace and your best resource for honest and impartial answers to insurance questions. Knowledgeable insurance professionals are available through our consumer hotline. Call 1-800-927-HELP (4357) or visit www.insurance.ca.gov to view all of our consumer information guides and insurance resources. These tools are available to consumers free of charge.