

# 1 Informing Seniors & Senior Insurance Bill of Rights

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## **Tips for Dealing with Insurance**

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, it is important to understand and 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.

### **Check Out Your Agent and Company**

Call the California Department of Insurance at 800-927-4357 to see if an agent or company is licensed to sell insurance in California, or you may check our website [www.insurance.ca.gov](http://www.insurance.ca.gov). Each agent is required to print his/her license number on all business cards, quotations, and advertisements.

### **Never Be Pressured or Intimidated by an Agent**

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

### **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.

### **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.

### **Compare Policies Carefully**

It is important to buy the best coverage that meets your needs and budget. Don't buy coverage you can't 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. Buy the best coverage that meets your needs and budget. Don't buy coverage you can't afford, and never pay with cash. Make checks payable to the insurance company or agency name. Also, be aware of

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### **Always Read Your Policy**

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

### **Keep Your Policy in a Safe Place**

Tell a trusted friend, family member, 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**

Can Automobile Insurance Companies Deny Seniors Coverage? The simple answer is No.

Auto insurance companies can deny coverage for a variety of reasons but not just because you are a senior. The most common reason an applicant is denied coverage is if he/she is considered a high-risk driver. This usually means someone with multiple traffic violations such as a 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 behaviors that are considered high risk, it is likely his age will only affect his coverage if he's unable to meet his state's medical requirements for obtaining and maintaining a driver's license.

## **Senior Insurance Bill of Rights (SIBOR)**

As a senior citizen, you have worked a lifetime to build up assets and want to take precautions to protect yourself and those assets. Purchasing insurance that meets your needs can be challenging; sometimes a product is pushed on you, sometimes you can't get what you want. Also, as your financial situation changes over time, it is important to



review your insurance policies to decide if the same terms and types of insurance are still right for you.

It is illegal for an insurance agent, broker, solicitor or insurance company to misrepresent the terms or benefits of any insurance policy [California Insurance Code (CIC) §780,781]. Furthermore, a prospective insured 65 years of age or older is owed a duty of honesty, good faith, and fair dealing by an insurer, broker, agent, and others engaged in the transaction of insurance [CIC §785, 10192.55, 10234.8]. If you are contemplating purchasing a new or replacement policy, please take note of the following precautions:

- Obtain all proposals in writing.
- Don't be pressured into buying any insurance product. 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 advisor participate in discussions concerning the purchase of any insurance product.
- Make sure the agent, broker, and insurance company are properly licensed to sell the product you are considering purchasing.

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 insurance requested [CIC §791.10].

Additionally under SIBOR, there are special protections related to certain insurance products.

## **For Life, Annuity, Long-Term Care & Medicare Supplement**

### **Free Look Provisions**

You may review a policy of Life, Annuity, Long-Term Care, or Medicare Supplement for 30 days after you receive 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. Except, if you bought a variable annuity and you did not allocate all your money to a fixed interest account or money market fund, you will get back the "account value", which may be less than a full refund. [CIC §786 (a) & (b), 10127.7, 10127.8, 10127.10, 10232.7, and 10192.17(e)].

## **Replacement Consequences**

A "Replacement" occurs when the consumer cancels or surrenders his or her existing policy and purchases a new policy (i.e. Life, Annuity, Long-Term Care or Medicare Supplement). You must receive a full disclosure of all information relating to the benefits and possible negative consequences regarding this replacement. [CIC § 10509.914, 10509.4(d), 10509.2, 10192.18 (d), 10192.18 (e), and 10235.16].

## **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 [CIC §789.10]. This notice must be provided to you at least 24 hours prior to the meeting and must tell you your right to:

- Understand 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.
- Obtain a full disclosure of all surrender charges and related time frame in connection with a life and/or annuity policy prior to purchase.

## **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. Insurance companies can only sell you an annuity if there is a reasonable basis to believe the annuity is suitable based on the information you provide to the agent. [CIC §10509.914].
- 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 Medi-Cal eligibility [CIC §789.8]. Note: you may contact the Department of Health Care Services (DHCS) to discuss Medi-Cal eligibility rules.

## **Long-Term Care Only**

- Taking Care of Tomorrow- Be sure the agent has provided you with an outline of coverage including all benefits and limitations [CIC §10233.5], the Long Term Care Insurance Personal Worksheet [CIC §10234.95], the HICAP notice [§10232.3(c)(3)] and the shopper's Guide





developed by the California Department of Aging [CIC §10234.93 (c) (9)].

- You may designate another person to receive lapse or termination of coverage notices for nonpayment of premium for Long-Term Care insurance [CIC §10235.40].

### **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, premium, and benefits [CIC §10192.17 (j)(1)&(2)].
- You have a 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 and no more than 60 days prior to your birthday [CIC §10192.11(h)].

### **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 [CIC §10127.8 (b)(4)&(5)].

You may contact the Health Insurance Counseling and Advocacy Program (HICAP) to obtain counseling on all health insurance issues including Long-Term Care and special Medicare Supplement open enrollment rights free of charge at 1(800) 434-0222.

The information provided herein is not all inclusive and does not negate or pre-empt existing California law. If you have questions or wish to discuss an insurance matter, the officers at our Consumer Hotline are available to help you. Please call them at 1-800-927- 4357 or contact us at [www.insurance.ca.gov](http://www.insurance.ca.gov).

## **Filing a Complaint (Request for Assistance)**

The California Department of Insurance 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 can file a Request for Assistance form by mail or online 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](http://www.insurance.ca.gov)

To order additional materials contact

Community Relations & Outreach at:

[crob@insurance.ca.gov](mailto:crob@insurance.ca.gov)