

Insurance Bill of Rights for Older Pennsylvanians

For older Pennsylvanians at or near retirement – today’s vast array of insurance products can be overwhelming. Because of sizable “nest eggs” and good credit histories, older Pennsylvanians can be particularly vulnerable to unscrupulous sales tactics. **You should know your rights when purchasing insurance products:**



General Rights

- ▶ You have the right to file a complaint with the Pennsylvania Insurance Department against an insurance producer (agent), agency or company if you feel you’re not being treated fairly. File a complaint at www.insurance.pa.gov and click on “Online Resources,” or call 1-877-881-6388.
- ▶ By law, you cannot be penalized by an insurance company for complaints you make against it.
- ▶ You have the right to request a written explanation from an insurance company if the company refuses to insure you.
- ▶ When you purchase a new annuity or life insurance policy, long-term care or medigap insurance, you are entitled to a “Free-Look Period”– 10 days for annuity or life insurance policies and 30 days for long-term care and medigap insurance policies. This gives you time to review your policy and decide if you want to keep it. The Free-Look Period begins on the day you physically receive the policy. You are entitled to a full refund of your premium if you return the policy before the Free-Look Period ends. It is a good idea to have your tax accountant, attorney or trusted family member review the policy during the Free-Look Period.

Annuities and Life Insurance



▶ **Incontestability**

In the absence of fraud, the insurance company cannot cancel your policy after two years in-force because of errors on your application, as long as the premiums are paid on time.

▶ **Disclosure of Surrender Penalties**

Before purchasing, be sure to obtain from the insurance company a full-disclosure listing of all surrender charges and related time frames connected with that policy.

▶ **Additional Items**

Before entering into an annuity or life insurance product, be sure the product fits your insurance needs, objectives and financial situation– now and in the future.

Long-Term Care Insurance

▶ **Marketing Standards**

Consumers have a right to fair and accurate comparisons of policies. It is illegal for a salesperson or insurance company to misrepresent the terms or benefits of any insurance policy.

▶ **Guaranteed Renewable**

A policy must state whether it is a guaranteed renewable or non-cancelable policy, as long as the premiums are paid on time.



▶ **Disclosure of Premium and Application of Future Rate Increases**

When your policy is delivered, you should also receive a disclosure statement that includes a statement of premium and explains how future rate increases will be applied, along with an explanation of your option in the event of a premium increase. Insurance companies must provide you with a rate increase history for the policy you are buying – or a similar policy – for the past 10 years.

▶ **Additional Items**

Before purchasing a long-term care insurance policy, be sure the producer (agent) provides you with a written outline of the policy's coverage, including all benefits and limitations. The agent should also supply you with a "Long-Term Care Shoppers Guide" from the National Association of Insurance Commissioners (NAIC). You can also learn more at the Pennsylvania Insurance Department's Web site.



Medicare Supplement (Medigap) Policies

▶ **Marketing Standards**

Any comparison of Medicare medigap supplement policies should be fair and accurate. Agents must ask if you have other coverage and indicate on your application that you intend to cancel your old policy and replace it with the new policy. You must inform your old insurance company in writing to cancel your old policy.

▶ **Guaranteed Renewable**

Medicare medigap supplement policies are guaranteed renewable, as long as the premiums are paid on time. Producers (agents) should provide you with a written outline of coverage at the time of the sales presentation.

▶ **Keep in Mind**

You only need one medigap policy.

General Precautions for Consumers:

▶ **Make sure the producer (agent) or broker and insurance company are properly licensed to sell the product you are considering.** Contact the Pennsylvania Insurance Department to confirm the producer (agent), broker or company's licensing status at 1-877-881-6388 (toll-free) or online at www.insurance.pa.gov.

▶ **Be wary of insurance producers (agents) or salespeople providing insurance products that seem too good to be true.** Be cautious of salespeople holding themselves out as "experts" based on one or more professional designations relating to senior or tax issues; they are still salespeople and their advice may not be in your best, long-term financial interest.

▶ **Always be suspicious of unsolicited calls from salespeople.** If you are unsure about a person, don't do business with him or her. Be wary of offers for a "free lunch" during which salespeople hold you captive in order to convince you to purchase items that may not be appropriate for you.

▶ **Be sure you understand the product you are offered.** Carefully read the product language and ask questions about any unclear sections. Do not sign anything you do not understand and never sign an application until you are ready to buy the policy. If possible, have a trusted family member, friend or adviser accompany you to help you make decisions. Don't be misled into making a decision.

▶ **Obtain copies of proposals and all documents you signed.** Be sure that all information in the contract is accurate. Otherwise, the policy may be cancelled due to misrepresentation.

▶ **It's best to pay your premium by check.** If you pay by cash, be sure to obtain a receipt.

The information provided herein is not all-inclusive and does not negate or preempt existing Pennsylvania law. If you have questions or wish to discuss an insurance matter, our Consumer Services Hotline is available to help you, toll free, at **1-877-881-6388**, or please visit our Web site at www.insurance.pa.gov.