



Quotacy

A Guide to Owning Life Insurance

The things you need to know about your term life policy

Quotacy.com

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What is Life Insurance?

Quotacy sells life insurance. Other companies are limited. They offer just furniture, iPhones, appliances, cars or shoes. We offer these things too. And we offer many things more. **We offer meat, bread and milk for the table of a family deprived of a father or mother.** We offer cancelled mortgages so that mother or father and children can live comfortably. We offer college educations to give children better opportunities in life. **We offer the little extras too; ice cream cones, Xboxes, movie tickets and a dress for the prom.**

We make life worth living. We offer time with grandchildren, golf clubs, fishing tackle, exciting trips, retirement income and **self respect for later years.** We offer all the necessities and good things for life, because

life insurance is for the living.

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Credits

This book is written for the modern consumer by Quotacy.

Quotacy is a resource for busy people to easily compare, research, and purchase the gift of life insurance on their terms. Whether by phone, computer, or mobile device, Quotacy provides you with all of the information and pricing on life insurance that you're looking for, in a friendly and understandable way. Find your price now at www.quotacy.com

What to Do with Your Life Insurance Policy

Step 1 – Tell Your Beneficiaries

Share with your loved ones why you think it's important to have a life insurance policy in place. It can be difficult bringing up the possibility of your death, but even a brief conversation can make all the difference. At least be sure they know the policy exists. If you never told them you own life insurance, how will they receive the death benefit you planned for them?

Step 2 – Keep Your Policy Safe

Keep a copy of your life insurance policy in your home where your beneficiaries can find it. Because a life insurance policy contains a lot of private, personal information, it's best to keep it in a secure place like a locked filing cabinet or, better yet, a fireproof safe. Just make sure your loved ones know where the key is. You may also want to keep a second copy with your lawyer or a trusted relative.

Additionally, it's wise to keep an electronic copy of your policy. Hard copies can be destroyed or lost; electronic copies are much harder to lose.

When you apply through Quotacy, more often than not your policy will be securely delivered to you via an electronic format. However, if you only have a hard copy, scan it into your computer. There are a number of secure online sites that enable you to store important information all in one place to make it easier on your family.

Step 3 – Review, Review, Review

Lastly, check your policy annually to ensure you do not need to make any changes. Life events such as marriage, divorce, new babies, grandchildren, business changes, home owning, etc. can all have an effect on how you would like your policy set up. Permanent policies can last your lifetime so many life changes occur through its duration, but even term policies can last 30 years. Think of all the changes that have occurred in the last 10-30 years of your life already.

When to Review Your Life Insurance Policy

It's a great idea to review your policy every couple years or every time a significant event happens in your life. Life brings changes which may bring the need for insurance changes. Here are examples of when you should review your policy:

Marriage

Now that your family is growing and you will be sharing finances with another person, your life insurance needs may change. Many couples rely on two incomes to pay day-to-day expenses. If you died prematurely, your spouse would soon feel financial struggle in addition to the emotional and physical devastation from losing you. Term life insurance will provide income replacement in the event of pre-mature death.

Divorce

There are a number of financial issues to think about and life insurance should be on this list. Update your beneficiaries if necessary. We have witnessed people dying without having removed their ex-spouse as the primary beneficiary. This means their new family is deprived of the life insurance proceeds.

A New Baby in the Family

Another instance in which reviewing your policy is essential is if you're going to be a first-time parent, or if you're having another baby. A baby is a blessing, but it also can place strain on finances. Raising a child costs an average of \$240,000 from birth to age 18. If a parent dies prematurely, the surviving parent would struggle financially to support the family alone.

Purchasing a Home

If you purchased a home, review your policy to see if your coverage amount is enough to pay off the mortgage in addition to replacing lost income. Again, paying expenses is manageable with two incomes, but could your spouse afford to pay for the house all alone? If you have children ensuring they can stay in the home they are familiar with can mean a lot when dealing with the death of a parent.

Job Changes

If you've been promoted, you may have decided to upgrade to a nicer car or bigger home. Review your policy to ensure these new expenses are covered, so your family may maintain their current standard of living should you die prematurely.

Did you have a group life insurance plan with your old job? What benefits does your new job offer? If life insurance isn't one of them, you need to re-evaluate your life insurance situation. Any job change brings the need to review your policy.

Health Changes

Have you been on a new health regime? Eating healthier and working out 30 minutes a day? Congratulations, you may qualify for new life insurance rates. It may benefit you to re-apply. Quitting smoking, lowering your cholesterol or blood pressure, or losing meaningful weight, are just a few examples of when a health change can affect your rates for the better.

If your health declines you do not need to worry if you already have life insurance. If you have been paying your premiums and your policy is in force, a negative change in your health will not affect your rates. This is one of the most important reasons why buying life insurance sooner than later is best.

Life insurance is not a "set it and forget it" product. It's important to review your policy often to ensure it's in place to carry out your financial wishes if you're no longer around.



How to Convert a Term Policy

Term life insurance policies last a set length of time, or term, and once that ends, your coverage ends as well. There may come a time that you decide that a term policy is no longer sufficient for your life insurance needs. This is when a term conversion would come in handy.

What is a term conversion?

A term conversion is when all or some of your term life insurance policy is converted into a permanent life insurance policy (e.g., a whole life or universal life policy). Most term life insurance policies include a conversion option. This option means that if you decide you want permanent life insurance you can convert regardless of your health as long as you convert before the deadline listed on your policy.

What is a partial term conversion?

A partial term conversion is when you take a portion of your term policy and convert it to a permanent policy; in doing so you now have two separate policies. Not all insurance carriers allow you to do partial term conversions. The main reason you would do a partial term conversion is if you could not afford the premiums on a full conversion. Keep in mind if you do a partial conversion, your term policy must still meet the plan's minimum face amount.

Example: You have a \$200,000 term policy with a minimum face amount of \$100,000. If you convert \$150,000 of the term to a permanent policy you lose the remaining \$50,000 term policy because it is not enough to reach the minimum face amount.

Pending you are still within the term policy's conversion expiration date, you can always convert the remaining portion into a permanent policy at a later time. You will then have two separate permanent policies versus one term policy and one permanent policy.

What happens when I convert?

First, be sure to check when your term policy's conversion expiration date is. Some carriers only allow conversions within the first few years while others will allow it at any point during the term. If you decide to convert, allow plenty of time to send in the paperwork for processing. The processing must also be completed before the expiration date; most carriers do not have conversion grace periods.

Converting from a term to a permanent policy will significantly raise your premiums because permanent insurance is more expensive. Once the policy is converted to a permanent plan you know that permanent benefit will be there for your loved ones as long as you keep the policy in place.

When you convert your new premiums will be based on your age but you won't have to prove your insurability (e.g., through medical exams). If you choose to convert your term insurance make sure to work with your agent or Quotacy. Permanent insurance is complicated and a life insurance expert will help you design the best plan for you.

Some carriers only allow conversions within the first few years while others will allow it at any point during the term.

Make sure you know the conversion options of your policy and the period in which you can convert. You'll find this information located within your term insurance policy.



How to File a Life Insurance Claim

When a loved one passes away, there are many things that those in charge of final arrangements will need to do immediately after the loss and over the next few months and even years.

When starting the process of filing a life insurance claim, the best thing to do is get the agent who sold the policy involved in the process. He or she will be able to provide you with almost everything you need to know to file a claim. If you're unsure of whom the agent is, start by contacting the insurance company that the policy is through. If you are unsure of the agent or the insurance company, start by looking at the deceased's bank statement to see if any premium payments were drafted in the past year to an insurance company. Life insurance premiums are typically drafted monthly, quarterly, semi-annually, or annually.

If you purchased your life insurance policy through Quotacy, we will help you take care of everything you need in order to file the claim.

If the life insurance policy was through your loved one's employer, then the first thing you need to do is contact the employer for information on filing a claim. Regardless of where the life insurance policy was obtained, there are a few things that are necessary before starting the claims process.

First you will need to get a copy of the death certificate and, in some cases, if you're filing a claim on a spouse you'll need a marriage certificate as well so you might as well have both handy just in case. It's also good to have any other official paper work such as shared mortgage documents, credit card statements, or employee benefits information in case any road blocks arise in proving your connection to the policy holder.

Once you have an official death certificate, you will need to gather a claims form from the insurance company the policy is through. Each company will have different paperwork to complete and be returned, along with a copy of the death certificate. Your agent will be able to provide this for you. If you are no longer in contact with your agent, you can access a claim form from most insurance companies' websites, or by calling their claims helpline.

Along with the proof of death paperwork, you will also be required to fill out additional paperwork to notify the IRS for income reporting purposes. Each state will have different requirements so check with a local tax professional or the IRS for specifics.

Another tip that is often suggested by the insurance companies is to have a newspaper clipping of the death for additional proof to help speed up the process. Once you submit your life insurance claim and provide the necessary paper work, like death certificates and tax documents, the process should only take a week or so to complete. The only time you may run into longer turnaround times when filing a life insurance claim is if the policy holder dies within the 24 month contestability period. If death occurs within 2 years of obtaining the policy, often times an investigation into the cause of death is performed by the insurance company. In this case, it may then take longer for you to receive the money.

Keep in mind, every situation is unique and depending on the type of life insurance plan; term, whole life, universal life, etc., the process to claim the proceeds can vary. Permanent life insurance plans, such as whole life and universal life, may have policy features like financed premiums or loans against the policy that will need to be factored in before paying the beneficiary. Once you file your claim, the insurance company will determine if these apply to you and advise the recipient of the necessary requirements per situation.

To recap the basic road map to filing a life insurance claim, below is a list of steps to use as guidance:

Step One: If possible, contact the insurance agent who sold the policy or, if it is a group life policy, the employer who offered the coverage.

Step Two: Obtain a copy of the official death certificate and other documents.

Step Three: Complete a claim form from the insurance company.

Step Four: Submit the claim paperwork, IRS forms, and death certificate to the insurance company.



Things to Note About Term Policies

Term life insurance provides valuable income replacement at an affordable price. This simple solution to your family's peace of mind also comes with some important information to be aware of.

What is the grace period for paying a bill?

Your policy typically has a 31 day grace period. This means that if a premium is not paid on or before the due date, it may be paid during the 31 days following the due date. During the grace period, the insurance will stay in force but if a claim is made the premium owed may be deducted from the benefit amount payable to your beneficiary.

What happens to my premium at the end of my term policy?

If you own a term insurance policy, you are only covered during that term length. Once the term ends, your coverage does as well. It's a common question that one asks: What happens to all that money I paid in premiums if I live? The short answer is: You lose it. The point of term life insurance is to ensure your family is protected if something unexpected happens to you. If the insurance company doesn't pay out the death benefit that means you're still alive and shouldn't have too much to complain about. Term insurance is the "better safe than sorry" financial planning option.

Where did the money I paid in premiums go?

Everyone who is paying life insurance premiums is essentially putting all their money in a large metaphorical bucket managed by the life insurance carrier. When the company needs to pay out a death benefit, they take from that bucket. Your money is going to help another family in need of financial support because of a lost loved one. If you do die during the term of your policy, the company reaches into that bucket that everyone is paying into and gives that money to your beneficiaries.

What if I want to continue being covered after my policy ends?

Most insurance carriers provide an option called "conversion" which allows you to convert your term policy to a permanent plan of coverage possibly locking in a premium amount for the rest of your life. The new premium would be calculated based upon your current age and coverage duration. Conversion does not require a new medical exam

and can't be affected by any change in your health as long as you exercise this option before attaining a certain age or year in the policy as determined by carrier. Otherwise, go out and purchase a new term policy if you are still healthy.

Is term life insurance taxable?

Term life insurance is not taxable if the death benefits are payable to a named beneficiary (a real person). However, there are several situations where term life insurance proceeds may become taxable:

- Estate named as beneficiary: The death benefits proceeds may be considered part of your estate and could be subject to federal or state estate taxes.
- Third party ownership: This occurs when a person (the policy owner) buys a policy on another person (the insured) who then designates another person as the beneficiary. For example, if a parent buys a policy on their child who then designates his or her spouse as beneficiary. The spouse could be seen as receiving the insurance proceeds as a gift which might be taxable.

We recommend that when in doubt you consult with your tax advisor as to any potential tax implications. Also important to note is that the policyowner has the option of changing the beneficiary at a later date.

What is a contestability period?

Most life insurance policies have a 2-year contestability period. This means during the first two years after the issue of your policy, if it is found you misrepresented information on your application the insurance company can cancel your coverage or deny a claim. Because the cost of premiums for life insurance is based on your age and medical history, some people may intentionally misrepresent certain aspects of their health and lifestyle, such as hiding facts related to a hazardous occupation, risky hobbies or unhealthy habits.

Also during the first 2-years of your policy the insurance company will not pay the death benefit in the event of a suicide. After the 2-year period has passed, the policy will pay out even if the cause of death is suicide and any non-fraudulent misrepresentation had been made.

About Quotacy

The world we live in is changing and the way people buy things has evolved. Quotacy was born from the passion of a team of insurance professionals who recognized an opportunity to enhance the way life insurance is being purchased online. We are committed to creating the best customer experience possible, putting the user in control, and breaking down the barriers so more individuals and families could learn about and purchase the gift of life insurance. We believe in the idea of putting the user first; making quoting faster, terminology easier, and the application process smoother for those who like to shop online.

Our purpose is saving families and our mission is for every person who has loved ones who depend upon them financially to own life insurance.

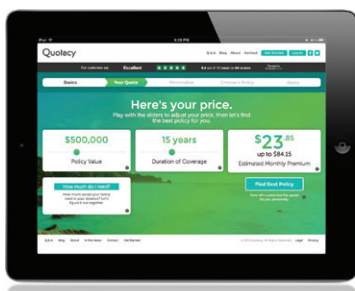
Quotacy is owned and powered by Hallett Financial Group, a life insurance Brokerage General Agency that has been helping licensed insurance advisors protect individuals and families since 1990 by providing customized life insurance quotes, case design, and case management services. Between Quotacy and our parent company, Hallett Financial Group, we have helped people protect their loved ones from financial tragedy to the tune of \$14 billion dollars.

We ask that you run a term quote on our website. Here are three reasons why:

One: 80% of consumers overestimate the cost of life insurance. Find out for yourself how affordable life insurance really is.

Two: We are not going to ask you for your phone number or email address.

Three: It's fun to play with our interactive sliders to educate yourself about how life insurance pricing works.



Get your term life insurance quote in under 30 seconds.

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