

Protecting Your Finances

How To Avoid Insurance Scams

(NAPSA)—Insurance is meant to protect you. But scams out there can make buying insurance dangerous. These schemes can cost you hundreds or even thousands of dollars, and leave you and your family without vital insurance protection. Here's what to watch out for:

Scams

- **Steal your premiums**—An agent takes your premium check but doesn't buy you the promised insurance. Instead, the agent steals your money. You aren't protected, and may not know this until you make a claim.

- **Sliding**—An agent secretly slips extra features into your policy (such as motor club membership, legal defense coverage, accidental death coverage, guaranteed renewable life, towing coverage). Hidden "extras" that may be worthless can add up to \$200 or more to your premium.

- **Churning**—You're conned into dropping a perfectly good life insurance policy and buying an expensive one you don't need. Example: Cashing out your valuable whole life policy to buy a "better" one. You lose years of built-up cash value and have to start all over again. Seniors, especially, should watch out.

- **Fake insurance**—You're sold fake insurance (often from a company that isn't licensed or doesn't even exist) such as auto coverage, or health insurance for your business.

Fortunately, you can protect yourself. The Coalition Against Insurance Fraud (www.InsuranceFraud.org) offers these money-saving tips:

- Call your state insurance department and make sure both agent and insurer are licensed.



Most insurance agents are honest. But watch for crooked ones who try to sell you phony insurance or steal your payments.

- Normally, you should make your premium check out to the insurance company, instead of the agent. Call the insurance company within 60 days to confirm you're covered.

- Read all insurance documents thoroughly before you buy. Insist that the policy is clearly explained point by point, in plain English. Also have a trusted relative or financial expert review. Demand a point-by-point comparison with your current policy. Do you need this new policy? Is it better than your current one?

- Go slow if the price of coverage seems too low to be true.

- Back off if you get vague answers to your questions, or you're pressured to "sign up now because this special deal expires today."

- Never sign a blank insurance form, and get copies of all forms.

- Be wary of door-to-door salespeople or e-mail pitches.

Visit www.InsuranceFraud.org to learn more about insurance scams and how you can avoid them.