



# Insurance Bill of Rights for Older Pennsylvanians

Insurance can provide a valuable service that protects you, your family and your assets. For older Pennsylvanians who have retired or are planning to retire, or are considering long-term care coverage needs or may be evaluating investment products, today's insurance market can be overwhelming. The Pennsylvania Insurance Department actively oversees the regulation of providers of these products and, by and large, Pennsylvanian's are served well by the insurance community. However, because of sizable "nest eggs" and good credit histories, older Pennsylvanians can be particularly vulnerable to unscrupulous sales tactics. The Pennsylvania Insurance Department wants to alert all consumers to their rights and recommends caution before buying any insurance product.

Here are your rights when purchasing insurance products:

## General Rights

- You have the right to file a complaint with the Pennsylvania Insurance Department against an insurance agent, insurance agency or insurance company if you feel you are not being treated fairly. You can file a complaint at [www.insurance.state.pa.us](http://www.insurance.state.pa.us) and click on "Submit a Complaint" or call 1-877-881-6388.
- By law, you cannot be penalized by an insurance company for any 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.

Toll-Free Consumer Services Hotline: 1-877-881-6388

Website: [www.insurance.state.pa.us](http://www.insurance.state.pa.us)

## **Annuities and Life Insurance**

### **Free-Look Period**

When you purchase a new annuity or life insurance policy, you are entitled to a 10-day "Free Look Period" that 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.

### **Incontestability**

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 and the policyholder has not been shown to be fraudulent on a claim.

### **Disclosure of Surrender Penalties**

Before purchasing an annuity or life insurance policy, be sure to obtain from the insurance company a full disclosure listing of all surrender charges\* and related time frames connected with that policy. You may be charged a penalty or surrender charge if you cancel or terminate your policy before its maturity date.

\* A fee levied on an annuity or life insurance policyholder upon cancellation of his or her policy. The fee is used to cover the costs of keeping the policy on the provider's books.

### **Additional Items**

Not all insurance products are appropriate for all consumers. Before entering into an annuity or life insurance product, make sure that the product fits your insurance needs, objectives and financial situation, now and in the future. Before making any decisions, carefully research your options, thoroughly read and understand the policy language and talk to a reputable insurance agent. Contact the Pennsylvania Insurance Department to confirm the agent, broker or company's licensing status at 1-877-881-6388 (toll-free) or online at [www.insurance.state.pa.us](http://www.insurance.state.pa.us).

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# 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.

## **Free-Look Period**

You have 30 days in which to review and cancel your policy in order to receive back your full premium.

## **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 similar policy for the past 10 years.

## **Additional Items**

Before purchasing a long-term care insurance policy, be sure the 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. You can also learn more at the Pennsylvania Insurance Department's web site, [www.insurance.state.pa.us](http://www.insurance.state.pa.us), by clicking on "Older Pennsylvanians."

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## Medicare Supplement (Medigap) Policies

### Marketing Standards

Any comparison of Medicare Medigap Supplement policies should be fair and accurate. Agents must ask you 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.

### Free-Look Period

You have 30 days in which to review and cancel your policy and receive back your full premium.

### Guaranteed Renewable

Medicare Medigap Supplement policies are guaranteed renewable, as long as the premiums are paid on time. Agents should provide you with a written outline of coverage at the time of the sales presentation.

### Additional Items

You only need one Medigap policy.

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## General Precautions for Consumers

The Pennsylvania Insurance Department wants to alert all consumers to take the following additional precautions before buying any insurance product:

- Make sure the agent (also called a “producer” or “broker”) and insurance company are properly licensed to sell the product you are considering. Contact the Pennsylvania Insurance Department to confirm the agent or company’s licensing status at 1-877-881-6388 (toll-free) or online at [www.insurance.state.pa.us](http://www.insurance.state.pa.us).
- Be wary of insurance 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 financial products that may not be appropriate for you.
- Be sure you understand the product you are offered. Carefully read the product language and ask questions on any unclear sections, even if you think you understand everything. 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 advisor accompany you to help you make decisions. If need be, ask the salesperson to come back in three days so that you have time to think about his or her offer.
- Obtain a copy of all proposals shown to you and all documents you signed. Be sure that you agree with all of the terms, information and language specified in the contract and that the information is correct. 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 does not constitute legal advice, 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 visit our website at [www.insurance.state.pa.us](http://www.insurance.state.pa.us).*

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