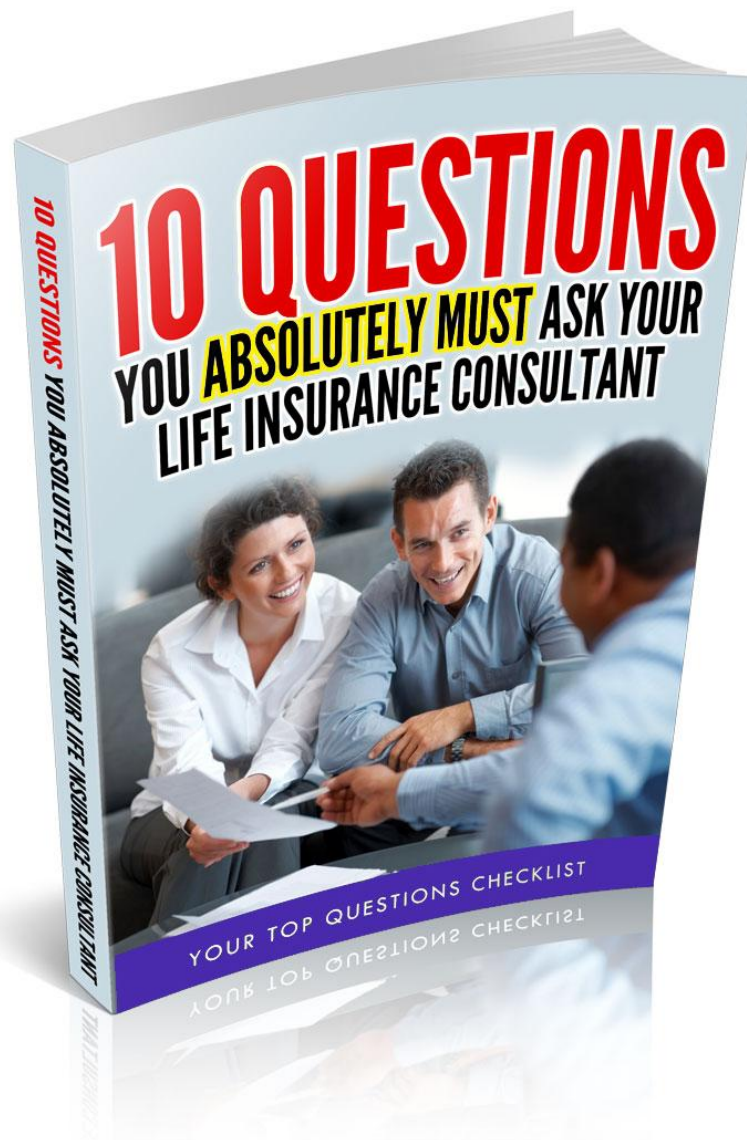


10 QUESTIONS

YOU **ABSOLUTELY MUST** ASK YOUR
LIFE INSURANCE CONSULTANT



YOUR TOP QUESTIONS CHECKLIST



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What this eBook Covers:

Congratulations on making the decision to get this short e-book. It is designed to be very concise and straight to the point, so that it equips you with important information before you meet with your life insurance consultant.

Shopping around for any type of insurance isn't exactly many people's idea of fun, and life insurance is no exception. However, you might be surprised by how much easier it can be, when you know what sort of questions you need to ask.

An Important Investment:

A life insurance policy is a serious investment but it can be one of the best investments you can ever make. In many ways can be as important as getting a mortgage. Therefore it's important that you at least have some education about what you're getting into.

This short e-book sets out some important questions you need to ask when considering taking out a life insurance policy.

Sadly, many people do not equip themselves in advance with the information that they need in order to make the best decisions. By avoiding learning the basics you could end up with a policy that is not correctly matched to your needs or benefit you in the ways that you had hoped.

On the other hand, when you know exactly what questions to ask, you can avoid all sorts of pitfalls and ensure that you get a policy that is right for your needs rather than ending up with a white elephant.

The Purpose of Life Insurance:

The main purpose of life insurance is to protect your family and loved ones from severe financial hardship.

For example, if you have a spouse, three children, a mortgage, a car loan, and credit card bills, what would happen to them if you were to die suddenly? Would your family have enough money to keep the house, car, pay off credit card debt, and send your children to college?

When the main breadwinner in a family dies, it can present all sorts of serious financial problems, at a time that is already extremely painful.

Protection and Peace of Mind:

Life insurance can safeguard your family and loved ones from such potential financial disasters. In many ways, getting a life insurance policy can be one of the greatest gifts that you can ever give to your family and it will provide you with great peace of mind.

It's really a necessity, rather than being a luxury and it can be one of the greatest investments you can ever make.

When it comes to Life Insurance, it's difficult to overstate the importance of finding the right policy.

Making sure you have the cover that you need gives you the security of knowing that your finances are taken care of whatever happens. However, it goes without saying that you'll also want to get yourself the best deal possible to ease the impact on your budget.

The Two Main Types of Life Insurance:

There are generally two main types of life insurance policy. These are term life insurance and whole of life policies.

Term Life Insurance:

A term life insurance policy is a policy that only pays out if you die within a specified term. This could be 10, 20, or 30 years from the date the policy commences.

It's one of the simplest and cheapest forms of life insurance. You are covered by paying a premium on a regular basis. With some types of term life insurance your monthly premiums may fall as the policy ages.

Whole of Life Insurance:

A whole of life insurance policy covers you right up to your death, whenever that may occur. This type of policy can be more expensive and complicated than other forms of life insurance.

Serious Illness:

When considering investing in a life insurance policy, there are several other important points that you need to consider. For example, you may wish to consider adding serious illness cover as part of the policy. This can result in a lump sum being paid in the event of you having a serious illness.

However, you should check the details of which illnesses are covered; if this is something that you think may benefit you and your loved ones, and weigh this up with your own personal circumstances in mind.

Changing an Existing Life Insurance Policy:

Life insurance and protection policies are generally medium to long-term policies, and in most cases it is unusual, and often unwise to change them often.

They are also quite different from other insurance policies, such as car or house insurance and they have different benefits.

Whenever your circumstances change, it can be wise to review your current level of cover to see if it's still adequate for your needs.

There are several reasons why you might consider changing your existing life insurance policy.

For example, if you have experienced major changes in your life like getting married, having children, or if you have taken out additional loans.

Also, if you are buying a new home, making changes to your mortgage repayments or if you are currently in arrears. In such circumstances, it's always important to contact your insurance consultant as soon as possible.

When you inform your consultant about any of these, then they will be able to clarify if your changing circumstances will have any impact on your existing policy.

However, as you get older it can be more expensive to take out a life insurance policy, so please do bear this in mind if you are considering switching.

The 10 Questions to Ask Your Consultant

How Much Cover Do I Need?

You certainly won't want to waste money by having too much cover, while it's equally important that your family's financial needs are provided for in the event of your death.

Your consultant will be able to guide you in how much cover you may need based on your goals.

How is My Need Determined?

It's important to know exactly how your insurance consultant is determining your overall level of cover and the term of that cover.

Therefore, they should ask you plenty of questions about your current circumstances and also what you are planning for long term.

How Much is it Going to Cost?

The cost of your life insurance cover is based on several different factors. These include such things as your age, the size and duration of your mortgage or if you wish to add serious illness cover to your policy.

Again, your consultant will be able to help you to determine the best level of cover according to your needs and budget. You certainly won't want to waste money by having too much cover, while it's equally important that

your family's financial needs are provided for in the event of your death.

Your consultant will be able to guide you in how much cover you may need based on your goals.

How Long Does My Policy Last?

Are you certain you really need a 40 year plan when it could be more cost effective to put a shorter plan in place, and then review it in 10 years time?

A lot can happen and your needs may have changed a lot from today.

What Happens as I Age?

Generally as you get older, your need for life insurance reduces. This is because your children grow up and your mortgage will become paid off. If a policy has indexation then this means that it will increase your cover (and price) every year, so you could end up paying a higher premium for cover you may not even need.

What if My Health Changes?

If your health changes during the term of your policy it will not affect your premiums. Even if you become ill, you will still be covered by the life insurance policy.

Also, when taking out your policy you might consider a conversion option. This will allow you to extend your policy later on without having to answer any medical questions.

Will I Have to Take a Medical Exam?

Most insurance companies will not normally ask you to have a medical examination unless you have a history of illness, or you are over a certain age, or if you are applying for a large amount of life insurance cover.

However, there are policies available for people over 50 years of age that do not require a medical, but the sum assured is normally limited.

Are There Benefits for Serious Illness or Disability?

If serious illness cover is included in your policy, then it will pay out a lump sum if you're diagnosed with any of the illnesses listed in your policy.

Alcohol or drug-related illnesses, as well as pre-existing medical conditions and pregnancy-related illnesses are not covered.

What Company Will My Policy be Placed With?

Your insurance consultant should have access to as many insurance providers as possible.

This will allow them to compare policies from a large number of providers and thereby find you a policy with the best overall benefits.

Am I Protected from Being Miss-Sold?

Yes, your life insurance consultant has to follow very tight procedures and guidelines. They are obliged to get

complete information on your current circumstances and future plans. It is based on this information that they have to make their recommendations.

The insurance companies pay consultants for 2 reasons:

- 1) To make sure that you fully understand the cover you are taking out and that it matches your needs.
- 2) That you don't take out a policy that you cannot afford.

When recommending a policy they must also prepare a "reasons why" document where they set out clearly why they are recommending a specific product for you. Your life insurance consultant is there to find you the best policy for your needs and within your available budget.

Summary:

At this point you should have a good idea about the sort of questions you need to ask your life insurance consultant.

In addition to these questions you may also have your own list of questions which you wish to ask.

Therefore, it could be a good idea to print out all the questions listed below or jot them down on a piece of paper in preparation for your meeting.

This way, you will show your consultant that you understand the basics of life insurance and this also empowers you to get the very best guidance from them.

It also saves a lot of time and confusion when you are prepared this way in advance!

Your Top 10 Questions Checklist

- How Much Coverage Do I Need?
- How is My Need Determined?
- How Much is it Going to Cost?
- How Long Does My Policy Last?
- What Happens as I Age?
- What if My Health Changes?
- Will I Have to Take a Medical Exam?
- Are There Benefits for Serious Illness or Disability?
- What Company Will My Policy be Placed With?
- Am I Protected from Being Miss-Sold?