

## General Shopping Tips

- Shop around.
- Do not buy on price alone; consider coverage and service.
- Select a sound company and a reliable agent.
- Check with the Arkansas Insurance Department to see if the company and the agent are licensed to do business in Arkansas.
- Answer all the questions on the application completely and honestly.
- Do not sign a blank application or an application you have not reviewed.
- Do not pay cash for any policy; make a check payable to the insurance company and include the type of policy that you are paying for.
- Examine the policy carefully.
- Carefully review the copy of your application contained in your policy and report any errors or omissions to the company or agent.
- If you are turned down for insurance, ask for the specific reason.

## Check With Your State Insurance Department

We believe *insurance* is the most *important* product consumers purchase. Unfortunately, most of us know very little about the purchases we make, but we rely on insurance to cover our *life*, our *health*, our *homes* and our *automobiles*. *We cannot afford to make the wrong purchase or not have the right coverage.* Therefore, it is *important* that you, as an insurance consumer, know what you have purchased. If you have any questions or need assistance, please do not hesitate to call our office.

### Consumer Services Division

1 Commerce Way, Suite 102

Little Rock, AR 72202-2087

Phone: 501-371-2640, 800-852-5494

Fax: 501-371-2749

Website: [insurance.arkansas.gov](http://insurance.arkansas.gov)

E-mail: [insurance.consumers@arkansas.gov](mailto:insurance.consumers@arkansas.gov)

# Basic Shopping Tips for Insurance Consumers



## *Life Insurance*

- Decide how much insurance you need and the length of time the protection should last.
- Learn what kinds of policies are available to meet your needs and pick the one that best suits you.
- Look for a policy with a premium you can afford. It can be costly to let policies lapse.
- Use the 10 day “free-look” provision you can get your money back in the first 10 days if you change your mind.
- Reassess your life insurance needs frequently because your needs will change as your dependents and finances change.

## *Health Insurance*

- Always complete applications including your medical history completely and honestly.
- Check policy provisions that restrict or reduce benefits.
- Be aware of possible consequences when replacing existing coverage.
- Check your right to renew.
- Use the 10 day “free-look” provision.

## *Property & Casualty Insurance*

- Ask about discounts for safety and security devices, multi-car and good student.
- Ask if the company gives a new home discount or multi-policy discount.
- Ask about the difference in price between a “named peril” policy and an “open perils” policy.

- Make sure your dwelling policy limits are at least 80% of the replacement cost of your home. If you do not have a recent appraisal, ask your agent to help you.
- Does the company offer an inflation guard endorsement?
- Discuss with your agent whether you should list your valuable items of personal property on a personal property schedule. Does the company offer full replacement cost coverage on your personal belongings?
- Ask about the difference in price for basic liability limits.
- Your homeowner’s policy has some provisions that may prevent you from receiving payment for a claim even if you have paid the premium. If your home or apartment is left vacant or unoccupied, some part of your coverage may be suspended automatically. When you plan a long vacation, or when you are moving either in or out of your home, or if your home will remain vacant for any other reason, you should ask your agent or company which coverages will be suspended.