

Tips for Buying Health Insurance

- Make sure you feel confident in the insurance agent and company. It is a good idea to contact your state insurance department and make sure the agent and the company you are dealing with are licensed in your state.
- Learn what kinds of policies will provide what you need and pick the one best for you. Don't hesitate to shop around and ask a lot of questions.
- Do not sign an application until you review it carefully to be sure the answers are complete and accurate. Make sure that the word "insurance" is actually used and that there is no disclaimer stating that, "This product is not insurance, nor is it intended to replace insurance."
- When you buy a policy, make the check payable to the company, not the agent. Always pay by check or money order, and write your policy number on the payment. Do not give the agent your bank account number for automatic withdrawals until you have verified agent and company background information.
- Ask for a receipt for all payments. The receipt should include your policy number, the date of payment and the name of the insurance company.

Tips for Avoiding Fraudulent Plans

- The best tool for avoiding fraud is your phone. Call your insurance department and find out whether the insurance agent and company are licensed in the state.
- Fraudulent plans are most often sold through direct mail solicitations or over the Internet, so be especially wary when responding to these solicitations.
- If a policy costs far less than what other companies are charging, this could be a warning sign. It's a good thing to comparison shop, but if a policy is significantly cheaper, beware. If it sounds too good to be true, it probably is.
- Beware of an agent or company that:
 - Refuses to provide proof of state licensure.
 - Insists on cash payments or automatic withdrawal.
 - States this is a "one-time deal" or your "last chance for special savings."
 - Boasts that the coverage is available to anyone, regardless of history or risk.