

The Maryland Insurance Administration (MIA) regulates insurance in Maryland, overseeing the licensing of insurers and producers, examining business practices for compliance, monitoring insurer solvency, reviewing policy forms and rates, and investigating consumer complaints and fraud allegations. Life insurance provides financial security, with various types available, including term insurance, which offers coverage for a specific period and pays a death benefit only if the insured dies during that term, and permanent insurance, which includes options like whole life and universal life, providing lifelong coverage and potential cash value accumulation.

To take out a policy on someone else's life, the insured must generally be legally competent and consent to the policy, with exceptions for spouses and certain family situations. Insurable interest is required for the purchaser, but beneficiaries do not need to have an insurable interest. Policies marketed as "no physical exam" may have higher premiums and require health-related questions. Term insurance is often referred to as "temporary" due to its limited duration, while permanent policies may become "fully paid up" at a certain age, meaning no further premiums are required, although cash value may affect the death benefit.

When shopping for life insurance, consumers should consider their coverage needs, affordability, potential premium increases, and whether medical underwriting is required. It is crucial to understand the policy and its implications before purchase. Viatical settlements allow policyholders to sell their life insurance for cash, typically used by those with life-threatening illnesses, though now available to others as well. To locate a missing policy, individuals should check financial records and contact the MIA or the National Association of Insurance Commissioners for assistance. Additional resources and guides are available through the MIA for consumers seeking more information on life insurance.