

The life insurance policy allows for the collection of death benefits, typically payable to beneficiaries upon the insured's death, although some policies permit early access to benefits in cases of terminal illness. To file a claim, beneficiaries must notify the insurance company's claims department, complete a provided form, and submit it along with the policy and a certified death certificate copy, ensuring to send these documents via certified mail. It is crucial to name a beneficiary to avoid probate delays; if no beneficiary is named or if the named beneficiary predeceases the insured, the proceeds may become part of the probate estate, leading to potential delays in distribution. Upon approval of a claim, beneficiaries usually receive a lump-sum payment, although they may opt for an annuity instead. If a claim is denied, particularly within the contestability period (typically the first two years of the policy), the insurer may investigate the cause of death to check for any misrepresentation of health by the insured. If the insured had undisclosed health issues at the time of application, the claim could be denied. Insurers may sometimes act in bad faith by denying legitimate claims, and beneficiaries can seek recourse through their state department of insurance or may need to pursue legal action if necessary.