

The Life Insurance Buyer's Guide provided by New Era Life Insurance Company and Philadelphia American Life Insurance Company offers essential information for consumers seeking life insurance. It emphasizes the importance of determining personal insurance needs, including how much coverage is necessary and for how long, as well as what one can afford. The guide advises consumers to explore various policy types and compare costs among different companies, utilizing cost comparison indexes to identify significant price differences. It cautions against hastily dropping existing policies, highlighting potential costs and loss of benefits associated with new policies, especially if health has changed or if valuable rights exist in the current policy.

To assess how much insurance is needed, individuals should consider their dependents' financial needs, existing insurance, and other assets. The guide outlines two primary types of life insurance: term insurance, which provides coverage for a specified period and is generally more affordable, and whole life insurance, which offers lifelong coverage and builds cash value. It also discusses combinations of policies, such as adding term insurance to whole life for greater coverage during critical periods.

When searching for low-cost policies, consumers should not only compare premiums but also consider factors like cash value accumulation, variability of premiums and benefits, and the guarantees associated with the policy. The guide introduces two cost comparison indexes: the Surrender Cost Comparison Index, which evaluates costs if the policy is surrendered, and the Net Payment Cost Comparison Index, which assesses costs assuming the policy remains active. It stresses that smaller index numbers typically indicate better value, but consumers should also consider policy features, benefits patterns, and the quality of service from the insurance provider.

Ultimately, the guide encourages consumers to review their insurance needs regularly, choose policies that align with their financial capabilities, and seek assistance from agents or companies for clarity on any uncertainties. It underscores the importance of commitment to a policy, as early

termination can lead to significant financial loss.