

The Maine Life Insurance Buyer's Guide provides essential information for consumers looking to purchase life insurance, emphasizing the importance of selecting a policy that meets individual needs while being cost-effective. It encourages buyers to determine the amount of coverage needed and the duration for which it is required, considering factors such as financial responsibilities to dependents, final expenses, debts, and potential estate taxes. The guide outlines two primary types of life insurance: Term Insurance, which offers death protection for a specified period and is generally more affordable, and Cash Value Life Insurance, which includes policies like Whole Life, Universal Life, and Variable Life, where premiums are higher initially but build cash value over time.

When considering replacing an existing policy, the guide advises against canceling the old policy until the new one is received and reviewed, as there may be costs associated with replacement and potential loss of benefits. It highlights the importance of understanding the implications of age and health on premium rates for new policies and suggests consulting with a life insurance producer or company for further information.

To find the best value, consumers should compare similar policies from different companies, taking into account not just premiums but also the growth of cash value, guaranteed benefits, and any special features that may suit their needs. The guide also explains the use of life insurance illustrations and cost comparison indexes, which help in evaluating policies based on guaranteed benefits and premiums. It stresses that cost comparisons should only be made between similar plans and that small differences in index numbers may be outweighed by other policy features or service quality. Ultimately, the guide emphasizes the need for thorough research and understanding of the policy's terms before making a purchase decision.