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Think Twice Before Replacing Your Life Policy or Annuity

On June 15, 2009, **Beneficial Life Insurance Company** filed a plan of orderly withdrawal with the Utah Insurance Department. The company intends to cease issuing new policies as of October 31, 2009, but will continue to function as a life insurer for the purpose of administering existing policies.

The Utah Insurance Department advises policyholders to seek appropriate financial advice if contacted by an agent to replace their existing life insurance policy or annuity. Life and annuity policies should only be replaced after careful consideration of the costs and benefits.

State insurance law requires the completion of a replacement notice by both the agent proposing the replacement and the applicant. The purpose of the notice is to inform the policyholder of the advantages and disadvantages of replacing the existing policy. An agent failing to provide the replacement information is in violation of the law.

Before replacing a policy or annuity the policyholder should ask the agent or insurer to provide information about the existing policy. In addition, the policyholder should know the answers to such questions as:

- Has your health changed such that the proposed policy will cost you more?
- Will the incontestable and suicide periods start anew?
- Can premiums on the proposed policy change?
- Will you have to pay premiums for a longer period?
- Are there surrender charges on the existing policy? On the new policy?
- What is the guaranteed interest rate on the existing policy and on the proposed policy?
- Is the exchange going to be tax free?
- Do the advantages of a new policy outweigh any disadvantages with the existing policy?

Beneficial Life will continue to file quarterly and annual financial statements with the Insurance Department. Those statements are reviewed for financial strength. The most recent statement indicates that the company's financial condition meets and exceeds the solvency requirements of the law.

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The Utah Insurance Department is a state agency whose mandate is to regulate insurance marketed and sold in Utah. Currently they license over 86,000 agents, agencies and insurers; audit domestic insurers to verify financial stability and compliance with insurance laws; take administrative actions against licensees found to be in violation of the insurance laws; take calls from consumers who have questions or complaints; and educate licensees and consumers regarding insurance. Visit our website at <http://www.insurance.utah.gov/> or call our toll free in-state number 1-800-439-3805 or local number 801-538-3066.