



Consumer Alert from the NAIC: Protect Yourself: Buying Insurance on the Internet

The accessibility and ease of the Internet has revolutionized the shopping world. Everything from pet food to furniture is available 24 hours a day, seven days a week, from the comfort of your home. That same convenience now extends into the insurance industry. Here are some tips from the National Association of Insurance Commissioners (NAIC) to help you protect yourself when buying insurance on the Internet.

1. Research, Research, Research

Research is by far your best protection. Fortunately, the Internet is also a great research agent. Determine which insurance coverage best fits your needs, then shop around for companies, agents, premiums and coverage.

2. Double-check the Company and Agent

In order to sell insurance in your state, the company and the agent must be licensed. To confirm the credibility of a company or agent, check with your state insurance department for the following the facts:

- Is the company licensed in your state?
- Is the company licensed to sell the line of insurance you are interested in purchasing?
- Is the agent licensed in your state and a legitimate representative of the company?
- Does the company have a good record of handling policy complaints?

Your state insurance department can provide a list of companies and agents that are licensed in your state.

3. Purchasing on the Internet

Once you've checked your facts and found the company, agent and policy that suits your needs, you're ready to purchase. At this point, security is the name of the game. Take some extra precautions to protect your personal information:

- Update your browser. The newer browsers are equipped with more current security measures. One way to check if you are transmitting across a secure site is by checking the address. A secure site address may begin with <https://> instead of the usual <http://>. Or, the site may have a small key or closed lock icon located somewhere in the bottom left or right corner of the screen.
- If you cannot confirm the security of the browser, contact the company or agent and submit your paperwork via fax or mail.
- Take extra precautions when paying with a credit card. Some credit cards may be equipped with

antitheft protections. Review your credit card agreement for antitheft provisions.

4. The Proof is in the Paperwork

As you complete your research and purchase, it's important to keep detailed records. Get all rate quotes and key information in writing for your file. Also, once you decide to purchase online, keep a copy of all paperwork you complete and sign, as well as any correspondence, special offers and payment receipts.

Please note: You should receive a copy — not a photocopy — of your new policy within 30 to 60 days of purchase. If you do not receive your copy, contact the insurance company immediately.

5. Insurance “Red Flags”

Here are some quick “red flags” to warn you against possible insurance fraud:

- *Don't submit to high-pressure tactics.* If you are being overwhelmed with offers from a particular group or agent that make you uncomfortable or aggravated, trust your instincts and steer clear.
- *Do your research.* Scam artists may try to convince you to change coverage quickly without giving you the opportunity to do adequate research.
- *Seek advice.* If a particular policy requires a large sum deposit in an account, ask a third party — such as a reputable local insurance agent, an accountant or financial advisor — for advice.
- If it seems too good to be true, it probably is!

6. Get More Information

Information is your best policy. Visit your state insurance department for more information on company and agent requirements, as well as products available. You can link to your state insurance department's Web site by visiting www.naic.org. Click on “State Insurance Regulators Web Sites,” then click on your state.

The National Association of Insurance Commissioners is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and four U.S. territories. The overriding objectives of state regulators are to protect consumers and help maintain the financial stability of the insurance industry.

If you would like to be removed from the “Consumer Alert” media list, please contact Michele Compton at (816) 783-8003 or mcompton@naic.org.