



How should I choose a life insurance agent?

Life Insurance

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When you're considering buying life insurance, it's important to choose an agent or broker who can help you. Buying life insurance can be complicated or confusing. The key to buying the right amount and the right type of policy at a good rate is a good agent or broker. You should choose one who:

- Understands your financial situation, including your attitudes about risk, your income and estate tax brackets, and your other financial assets and obligations, as well as your personal situation (that is, your age, marital status, dependents, etc.)

- Explains, in terms you can easily understand, issues, options and planned use of life insurance in your financial program
- Provides you with a personalized written document that
 - records the facts of your current financial and personal situation and
 - describes the features of the life insurance and how it fits into your situation
- Doesn't pressure you into a decision, but works with you until you're ready and convinced that you are doing what is best for you
- Is prepared to review with you periodically—perhaps every three years or so—whether the product continues to be suitable for your needs and circumstances
- Is licensed by your state insurance department.

If you don't have an agent or broker who fits this description, ask your lawyer, accountant, friends, relatives and business associates for the names of insurance agents or brokers with an excellent reputation. You can also connect with the nearly 70,000 members of the National Association of Insurance and Financial Advisors (NAIFA), who subscribe to the organization's Code of Ethics.

An agent or broker who has one or more professional financial services designations has demonstrated a commitment to specialized education in the field. Designations you might see include the following:

Insurance Agent Designations

An agent or broker who has one or more professional financial services designations has demonstrated a commitment to specialized education in the field.

Designation	Full name of designation	Issuing Institution	Institution's Web site
CLU ChFC	Chartered Life Underwriter Chartered Financial Consultant	The American College	www.theamericancollege.edu
CFP	Certified Financial Planner	Certified Financial Planner Board of Standards, Inc.	www.cfp.net
RR RP	Registered Representative or Registered Principal	National Association of Securities Dealers, Inc	www.nasd.com

The Compensation Issue

Like everyone else, agents and brokers get paid for their services, which are enriched by their education and experience. Most agents and brokers are paid by commission, but some work on a fee basis. Typically, the largest part of the compensation is paid at the time you purchase the annuity, since most of the agent's or broker's work occurs at that time or just before it. As with any professional service, you should understand how your agent or broker will be compensated and how that might affect the purchase

recommendation.

The bottom line? The best way to protect yourself is to make sure you understand what you're buying and the nature of the product's limitations, penalties or fees if you want to drop the policy.

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