

WAC 284-97-925 Insurance company disclosure form for term life insurance policies. RCW 48.102.100 requires that insurers provide a notice to owners of individual life insurance policies at certain times. The following is the only document approved by the commissioner to give this notice for term life insurance policies.

Important information about your term life insurance policy from the State of Washington Office of the Insurance Commissioner

Life insurance is a critical part of a broader financial plan. There are options available to you rather than letting your policy lapse, and you have the right to shop around and seek advice from different financial advisers in order to find the option best suited to your needs.

You are encouraged to consider the following possible alternatives to letting your term life insurance policy lapse. These alternatives include, but are not limited to:

- **Life Settlement:** You may be able to sell your term life insurance policy to a third party. You pay no further premium. The third party becomes the policyholder and receives the benefit upon the insured's death.
- **Maintain Your Policy:** You may be able to maintain your term life insurance policy in force by paying the premiums directly.
- **Third-Party Loan:** You may be able to get a loan from another party to pay your policy's premiums. In return, the lender may require an assignment of a portion or all of the policy's death benefits.

These options may or may not be available depending on your circumstances and the terms of your life insurance policy. Please see your policy or contact your life insurance company, financial advisor, insurance producer to determine your particular options.

If you're a Washington state resident and have questions about life insurance and your rights, contact the Office of the Insurance Commissioner at 1-800-562-6900, or go to www.insurance.wa.gov. Ask questions if you don't understand your policy. Here's a list of commonly used terms:

Expected death benefit: The face amount of the policy, less any policy loan amounts, that the insurance company is expected to pay the beneficiaries named in the life insurance policy upon the death of the insured.

Lapse: Refers to a life insurance policy ending or expiring when a policyholder stops making premium payments.

Life settlement: Refers to a contract in which the policyholder sells his or her life insurance policy to a third party for a one-time cash payment. A life settlement includes a viatical settlement, defined below.

Viatical settlement: An arrangement in which someone with a terminal illness sells his or her life insurance policy at an amount less than the death benefit. The ill person receives cash, and the buyer receives the full amount of the death benefit. This death benefit is payable once the former policyholder dies.

This brochure is for informational purposes only and does not constitute an endorsement of any of the options described above.

[Statutory Authority: RCW 48.02.060, 48.102.100, and 48.102.170. WSR 13-13-021 (Matter No. R 2012-31), § 284-97-925, filed 6/12/13, effective 9/1/13.]