

The three main categories of life insurance are;

1. term life,
2. whole life, and
3. universal life.

POST-DISASTER

Lack of documentation is typically a significant concern due to life insurance policies being left behind or lost. Generally, disaster victims can obtain the benefits they are entitled to even without the actual life insurance policy or death certificate in hand. Most life insurers are prepared to verify an individual policy without a policy number as long as claimants can provide basic information on the policyholder.

DO:

Whole life and universal life insurance policies build up cash value. Check to see if your policy has cash value. A loan against your policy's cash value can help you recover and rebuild.

DO:

Look into any group life policies you may have through your employer. Group life policies can provide some financial relief, but are easily overlooked during a crisis because the policyholder is often unsure of which company provides the policy. Seek help from your employer(s) to determine if help may be afforded.

DON'T:

Try to cheat the system. It is never a good idea to try to take advantage of the company's leniency in paying out claims without strict documentation. Most companies will follow up on claims that are paid out and will take action if there is any evidence of fraud.

DO:

Make plans for the future by keeping copies of important life insurance documents with trusted family members or in a safety deposit box, in case of an emergency.