

Life and Burial Insurance

By Mark Scherzer, Esq.

Why buy life insurance?

1. Life insurance allows you to leave money to someone after you die.
 - This can help support a loved one after you die or pay off outstanding bills so that your family is not left with a financial burden.
2. Life insurance policies may pay you some benefits while you are still alive.
 - These “accelerated benefits” can be paid if you become so sick that you are likely to die within a short period of time.
 - It may also be possible to sell the policy to someone who will give you money now in order to get the death benefit when you die (this is called a “viatical settlement”).

How can you get life insurance?

1. The easiest way to get life insurance is to take a job where insurance is part of your benefits. This is known as “group life insurance.”

Many big employers offer a basic amount of life insurance. Sometimes you can choose to buy more just by signing up and agreeing to have money taken from your paycheck. Sometimes you will have to answer questions about your health. If you are HIV+, they can refuse to give you extra insurance, but in many cases you can get at least the basic insurance without any questions.

If you have life insurance as part of your job, you can usually take it with you (“convert” it) by paying the insurance company directly when you stop working.

To make sure you get the insurance, you should sign up for it as soon as you can. If you do not sign up within the first 30 days or if you do not ask to take the group insurance with you within the first 30 days after you stop working, you may lose your chance.

Tip: Look in your employee handbook or the “summary plan description” to see what rights you have to group insurance. If in doubt, ask your human resources person.

2. If you cannot get insurance through

work, some insurance companies will sell you an individual policy. For most life insurance, the company can ask you questions about your health, look at your medical records, have you examined and even take a blood sample. Most companies will not sell you a policy if you are HIV+, and lying is not recommended.

There are some companies that will sell you a policy, even if they know you are HIV+. One company that is licensed in most states is Guarantee Trust Life Insurance Company. They sell life insurance to HIV+ people under certain conditions.

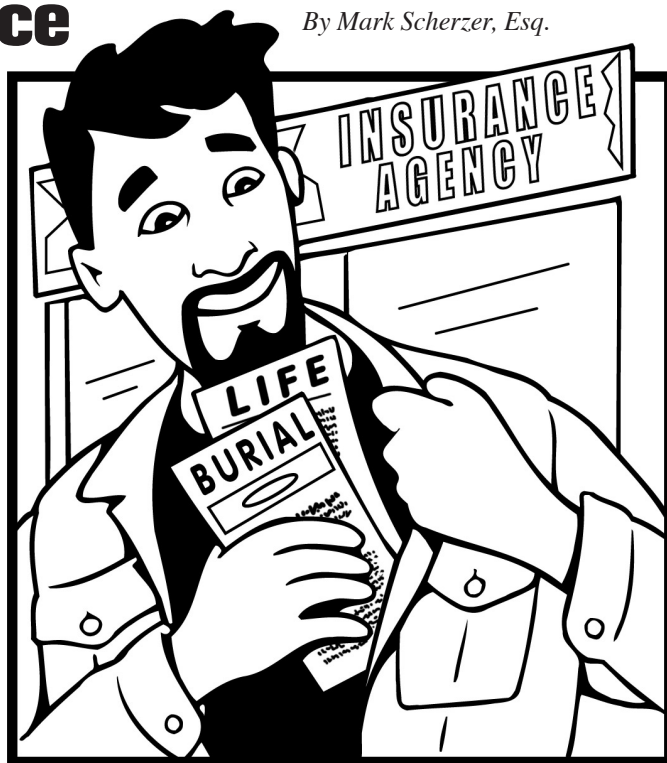
To find this type of life insurance coverage, ask an insurance broker for a referral to a “special risk” or “impaired risk” broker in your state. These brokers may also be able to sell you other coverage with no questions asked, but policies sold without any questions usually will not pay any benefits if you die in the first few years.

Why buy burial insurance?

1. Burial insurance also pays money to someone you name when you die, but it is to cover the cost of your burial. Burial insurance is usually sold in smaller amounts than life insurance (between \$5,000 and \$25,000).
2. Some burial policies also have “accelerated benefits” that can be paid if you become so sick that you are likely to die within a short period of time.

How can you get burial insurance?

You can buy burial insurance through a broker or directly from an insurance



company. Burial insurance, sometimes called “pre-need” insurance, is easier to get than regular life insurance, but usually costs more for the same amount of benefit.

Some burial insurance companies ask lots of questions about your health, others have just a few questions and others ask no questions at all. The greater the amount of the benefit, the more questions are likely to be asked. If they are willing to sell with no questions asked or knowing that you are HIV+, the policy may not pay any benefits if you should die in the first couple of years.

Premiums for insurance that you get without questions asked are usually more expensive than premiums for regular insurance. But if you want this coverage, you can search for it online, through special risk brokers or by asking the Insurance Commission in the state where you live for a list of the companies selling burial insurance. **RW**

Mark Scherzer is an attorney in private practice in New York City who advocates for the insurance rights of consumers.

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