# 5 Things to Check On Your Life Insurance Policy Annually

By Mandy Sleight

When it comes to getting a life insurance policy, most people have the mindset to “set it and forget it” until the policy is set to expire or they need to file a claim. However, if you take just a few minutes each year to review these five things on your life insurance policy, it could save you down the road.

Not sure what we mean? Keep reading to find out five things to check on your life insurance policy annually.

## 1. Does your policy have the correct beneficiaries?

When you first set up your life insurance policy, you chose at least one primary beneficiary and contingent beneficiary (they will receive your death benefit if the primary passes). It’s always a good idea to review these beneficiaries annually because life happens and things change.

Maybe your primary beneficiary has since passed away, or you had a falling out with a family member or friend you had listed. Or, you’ve done some financial planning and set up a trust for your minor children. It takes just a quick phone call or logging into your account to get the form you need to fill out in order to change one or all of your beneficiaries.

There is no limit to how many times you can change your beneficiaries, and it doesn’t cost you anything, so be sure to review this annually and make changes if needed.

## 2. Do you need more coverage?

Chances are your life is different from when you first took out your life insurance policy. Maybe you got married, divorced, or had one or more children. Most people get term life insurance that stays in force from anywhere between 10-40 years, so it makes sense that your lifestyle and insurance needs will change over that time.

When your life changes, you want to check to see if your life insurance needs should change with it. This is especially true if you find you need more coverage. Getting more coverage is almost always cheaper when you are younger, so reviewing it once a year to determine if more coverage is needed can save you money.

## 3. Does the Insurance company still maintain a good rating?

Some people aren't aware that life insurance companies have financial ratings, just like banks and other credit institutions. The stronger the financial score, the more guarantee you have the company makes good financial choices and will be able to pay the death benefit to your beneficiary when you pass.

This is very important because most people get a large death benefit amount to fit their needs and protect their family's lifestyle when they die. Working with a company that has strong financial health means they are able to honor and payout on claims. Taking a few minutes annually to review the life insurance company's rating can help you sleep knowing that your family will be taken care of.

To find out your life insurance company's financial rating, you can check out companies like A.M. Best and Fitch Ratings.

## 4. Did I pay my premium?

Insurance companies will typically give you payment options when you set up your policy - monthly, quarterly, semi-annual, and annual. No matter what your payment mode is you want to make sure that you are paying it on time so you don't risk going without this important coverage.

To prevent this from happening, you should check if you can set your payments up automatically if they aren't already. If this isn't an option, put a reminder in your calendar to check to see that the payment was made. It takes just seconds to do and can prevent any chance of the policy lapsing for nonpayment.

## 5. Could I get a better rate if I no longer have a pre-existing condition?

There is a good chance you can get a better rate if your health has improved and you no longer have a pre-existing condition. It's worth it to take a few minutes to check on your life insurance policy annually to see if it's still the best policy for you and your health. You could even get a better rate if you were a smoker at the time your current life insurance policy started and you've since quit.

Depending on how long ago you got the policy, it might even save you some money for the same or more coverage. These factors will be taken into consideration when getting a quote:

- Age you were then and age you are now
- What your pre-existing condition was and how long it's been since it was resolved

- Your overall health now compared to then
- Coverage amount and term of your existing life insurance policy

We hope you enjoyed reading this article on five things to check on your life insurance policy annually. A few minutes each year can not only make sure your policy is right for your current lifestyle but can even save you money in some situations.