

Insurance Times: Consumer group charges online term life insurance sites mislead buyers

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Too many sites are confusing in their data and layout, says CFA

Forty percent of Web sites offering comparative term life insurance information are “inadequate and potentially misleading,” according to a recent study from the Consumer Federation of America.

“Clearly, shopping around can pay off, but the best deal is very much dependent on where you land on the Web,” said study co-author J. Robert Hunter, CFA’s director of insurance.

The study looked at 25 Web-based Internet sites offering comparative term life insurance information.

CFA identified 10 out of 25, or 40 percent, that the organization would not recommend because of confusing layout or data. They are: Insure Rate, Intelli-quote, Insure One, Compusurance, SpeedInsure, 4freequotes, accuquote, anserfinancial, ebix and SelectOne.

In addition, the CFA study concluded, 75 percent of all term life insurance Web sites don’t show the lowest price.

Several of the Web sites in the survey, however, did show the actual low cost insurer, according to the study. They are Insweb, NetQuote, Quicken, Quotesmith, Youdecide.com and term4sale.

Consumers can still buy convenient term life policies and save money by landing on the right site, however, according to James Hunt, study co-author and CFA Life Insurance actuary.

“Our study clearly indicates that shopping around can save hundreds of dollars on term life insurance,” Hunt said, “but ... the wrong site can cause you to inadvertently pay ... too much, thinking you are getting a good deal.”

CFA also cited four sites that it said worked well for term life insurance shopping: Term4Sale, Compulife, InsWeb and Quotesmith.

Consumers should follow a number of recommendations for buying term life insurance, according to the study.

Among the CFA recommendations: get the right length of coverage (not beyond 20 years), look for renewability and convertibility, check your current policy and use the Web or 800 numbers only for term insurance.