










An Important Message from the Texas Department of Insurance and the Department of Defense Regarding the Sale of Life Insurance to the Military

If you've started a savings or investment plan, do you know where your money is going?

Many servicemembers who think they have a pure investment or savings plan later discover they actually purchased an expensive life insurance policy with a small death benefit, combined with a "side" or "accumulation fund." The U.S. Congress has declared these "side fund" products "entirely inappropriate for most military personnel." Almost all servicemembers have \$400,000 of government sponsored SGLI term life insurance for approximately \$28.00 a month and every servicemember can participate in the Federal Thrift Saving Plan (TSP).

Take a close look at your plan to see if any of these Red Flags apply to you:

-  Were you approached by someone, or did you receive a card or a mailer, offering information on your military or VA benefits, or about a military service organization, only later to receive a sales pitch for insurance, investments, savings or retirement?
-  Were you offered free pizza, movie tickets, or some other freebie to attend a meeting on or off the installation where you received a sales pitch for insurance, investments, savings or retirement?
-  Did the sales pitch focus on tax deferred savings paying a high rate of interest? Was life insurance mentioned? If so, were you asked how much life insurance you needed, or just asked how much you could afford to "save" each month?
-  Did anyone say or imply that SGLI might not always pay or that the TSP isn't a good investment?
-  Were you pressured to sign up or rushed through an application without time to understand the details, ask questions or read all the information?
-  Were you asked to show your CAC card or for access to your myPay account to set up payments to a bank or someone you've never done business with?
-  Did they fail or refuse to give you copies of your paperwork and information clearly describing what you just bought?

If any of these Red Flags apply to you, contact your installation's Financial Readiness office. They'll be happy to look at your program to see exactly what you have; especially if you're not sure if what you purchased was insurance, investments, or both.

Report any of the activities listed above or file a complaint with the Texas Department of Insurance by calling the **Consumer Help Line** at **1-800-252-3439** or by visiting our website at **www.tdi.state.tx.us**.