HOW TO CHOOSE AN INSURANCE AGENT

Selecting the right insurance coverage is not just about understanding your choices and selecting the right policy. It can also be about finding the right insurance agent.

Department of Business Regulation

Insurance Division

INDEPENDENT AGENT, CAPTIVE AGENT, INSURANCE BROKER - WHAT'S THE DIFFERENCE?

When you start your search, you can pick an independent agent or a captive (or direct) agent. An independent agent may sell policies from many different companies. A captive agent sells insurance for only one company. Independent and captive agents represent insurance companies and receive a commission from the insurance company for the sale of its policies.

For more complicated insurance transactions, such as coverage for a small business, you may choose a broker. An insurance broker represents your business by searching the local insurance market to find the right coverage for the best price. Because the broker represents you, they generally charge a fee for their services.

SELECTING AN AGENT

When evaluating your options, consider these things:

- **Licensing** - Make sure the agent and insurance company are licensed in your state. You can check company licensing information through the National Association of Insurance Commissioners's (NAIC) Consumer Information Source or by contacting us at (401) 462-9520 or via email at dbr.insurance@dbr.ri.gov.
- **Credentials** - Many agent and brokers will have letters behind their names on their business cards. These represent designations or credentials they have earned from various insurance groups or associations. Ask them what these letters mean and what they had to accomplish to earn the credential.
- **Complaints** - While you're checking whether the agent and the company are licensed, also check to see if they've had complaints filed against them. For the Company, you can also check the NAIC's CIS, call the Rhode Island Insurance Division, or the Better Business Bureau.
- **Financial Strength of the Company** - When evaluating a company, you also want to check its company financial rating.

WHAT TO EXPECT

What should you expect when you visit the agent's office to purchase coverage?

Choices: If you're using an independent agent, you'll have choices of companies and coverages. Evaluate your needs and the options to make sure you are getting the proper coverage best suited to your situation.

Honest Sales: You shouldn't feel pressured to choose an agent, an insurance company, or a quote. If an offer seems too good to be true, it probably is.

Answers: If you have any questions about the quote or coverages, ask your agent, and keep asking until you are satisfied.

Keep in mind, not all insurance companies use agents. You can do business directly with many companies by purchasing coverage online. These policies may be less expensive since the company doesn't have to pay the agent's commission. Regardless of how you buy the policy, make sure the company is licensed in your state, is financially stable and check to see if they have complaints.

Rhode Island Insurance Division
1511 Pontiac Avenue, Bldg. 69-2
Cranston, Rhode Island 02920
Website: www.dbr.ri.gov
Email: dbr.insurance@dbr.ri.gov
Phone: (401) 462-9520
Follow us on Social Media!
Twitter @RIDBRFinancial
Facebook.com/RIDBRFinancial