THE INSURANCE OVERCHARGE PLAYBOOK

Life Insurance, IUL, Auto and Home - How to Separate Protection From the Sales Pitch

THE CORE RULE

Insurance Remedy does not invent a 'fair premium.' It compares real quotes, real policy illustrations, and real coverage. The goal is to expose the cost of the wrong product or the cost of not shopping.

Insurance has two very different money problems. The first is a large one-time mistake: buying an expensive permanent-life product when the real need is temporary income protection. The second is a recurring mistake: staying with an auto or homeowners insurer without checking whether the renewal is still competitive.

Permanent life can have legitimate uses. A current auto/home insurer can also be the best deal. Insurance Remedy is not anti-insurance and not pro-switching. It is anti-opacity.

Canonical source: Insurance Remedy Master v2, July 2026. Figures marked [VERIFY] or [STATE] in the master are not hard-coded into this guide.

THE FAST VERSION

- Life insurance: insure the actual need first. For most ordinary temporary income-replacement needs, compare term life with any whole/universal/IUL proposal at the same death benefit.

- If permanent life is being sold as an investment or retirement plan, demand the guaranteed values, the conservative scenario, the policy charges, and the agent's compensation in writing.

- Never judge an IUL from the optimistic illustration alone. Illustrated values are not the same thing as guaranteed values.

- Auto/home: compare the bottom-line annual premium at the same coverage limits. Ignore a 'loyalty discount' if the final price is not competitive.

- Shop routinely. Switch only when the new coverage is truly comparable and still wins after any bundle, accident-forgiveness, deductible-credit, or other benefits you would give up.

- A cheap quote that strips liability, collision, comprehensive, replacement-cost, or other needed protection is not a better quote.

TWO CALCULATORS - NOT ONE FAIR-PRICE ENGINE

Calculator 1: Life Gap - compares permanent-life premium and cash-value illustration against matched term insurance plus investing the premium difference. Calculator 2: Renewal Comparison - compares your current auto/home premium with matched competing quotes and subtracts the real value of benefits you would lose by switching.

WHAT THIS GUIDE COVERS

Section	Consumer task
1	Match the product to the insurance need
2	Whole life / universal life / IUL as an investment pitch
3	The commission and incentive question
4	How to read an IUL illustration
5	Cash value, surrender value and death benefit
6	Replacement, rollover and same-day pressure
7	Auto/home renewal creep and loyalty framing
8	Compare same coverage, not just price
9	The loyalty bank: bundle and accrued benefits
10	Claims and coverage gotchas
11	The 10-step Insurance Remedy process
12	Life Gap calculator worksheet
13	Auto/Home renewal comparison worksheet
14	Red flags and honest-advisor signals
15	Exact consumer scripts

1. MATCH THE PRODUCT TO THE INSURANCE NEED

Start with the job the insurance has to do. Do not start with a product name.

Need	First comparison
Temporary income replacement	Children, mortgage, dependent years, working-income replacement, or another defined period. Compare term insurance first.
Permanent protection need	Examples can include lifelong dependent support, certain estate-planning needs, or another documented reason coverage must last for life.
Savings / investing	Keep the investment question separate. Compare any insurance-cash-value strategy with ordinary investment alternatives rather than assuming the bundle is superior.
Retirement income	A life-insurance illustration is not a retirement-plan guarantee. Compare taxes, costs, liquidity, risk, and guaranteed/non-guaranteed values separately.

DIGNITY RULE

Permanent life is not automatically a bad product. The problem is misapplication. If a permanent product genuinely solves a permanent need and the consumer understands the cost, guarantees, liquidity and alternatives, Insurance Remedy can say that the fit may be reasonable.

2. THE 'INSURANCE + INVESTMENT' PITCH

Whole life, universal life and indexed universal life combine life-insurance protection with a cash-value component. That is not automatically deceptive. The consumer problem starts when the bundled product is presented as though its investment economics can be understood from a sales phrase or one optimistic illustration.

The canonical master flags current commission percentages, premium multiples and other market figures as time-sensitive. This public guide therefore does not rely on a permanent '6x to 10x' premium claim or a hard-coded commission percentage. The buyer should compare the actual term quote and permanent quote they have today.

THE CORRECT COMPARISON

Same death benefit. Same protection period where possible. Real term premium. Real permanent premium. Real policy values from the illustration. User-selected investment assumptions. No invented fair premium.

3. ASK HOW THE SELLER GETS PAID

Compensation can influence product recommendations. The consumer does not need to accuse the agent of misconduct to ask the basic economic question.

"How are you and your firm paid if I buy this policy?"

"What do you earn on this permanent policy compared with a term policy for the same death benefit?"

"Are there renewal commissions, trails, bonuses, production incentives or other compensation tied to this sale?"

"If you call yourself a financial advisor or planner, in what legal capacity are you acting for this recommendation?"

If an actual compensation amount is disclosed, record it. If it is not known, Insurance Remedy should show UNKNOWN rather than manufacture a commission figure.

4. IUL: THE ILLUSTRATION IS NOT THE GUARANTEE

Indexed universal life can contain caps, participation rules, changing policy charges, and other contract mechanics. The central consumer error is treating a smooth illustrated growth path as a promise.

Value	Meaning	Remedy treatment
Illustrated value	A hypothetical path based on assumptions permitted by the illustration rules.	Useful for scenario comparison; not guaranteed.
Guaranteed value	The contractually guaranteed minimum values under the policy's guarantees.	Must appear beside any optimistic illustrated number.
Current/non-guaranteed assumptions	Values based on current scales, charges or crediting assumptions.	Can change within contract limits.
In-force illustration	Updated projection after the policy has actually been in force.	Important for testing whether reality is tracking the original sales illustration.

Before buying an IUL sold as a retirement or accumulation strategy, ask for:

- the guaranteed-value column;

- a more conservative illustrated return scenario;

- the current caps, participation rates, spreads or other crediting limits that apply;

- what the insurer may change after issue;

- the cost-of-insurance and other policy charges over time;

- what happens if credited performance is lower than illustrated;

- what premium or policy action is required to keep coverage in force under weaker scenarios.

HARD RULE

Any calculator or webpage that shows an IUL illustrated value must show the guaranteed value next to it when the user has that value. If the guaranteed value is missing, the result is INCOMPLETE - not a green light.

5. CASH VALUE IS NOT THE SAME AS SURRENDER VALUE OR DEATH BENEFIT

Number	Do not confuse it with
Cash value	The policy's accumulated internal value under its contract mechanics.
Cash surrender value	What the owner can receive after applicable surrender charges or adjustments at a given time.
Policy loan	Borrowing against policy value, generally with interest and possible effects on the policy/death benefit.
Death benefit	Amount payable under the policy at death, subject to contract terms, loans and other adjustments.
Premiums paid	Cumulative out-of-pocket premium. This is not automatically equal to cash value or surrender value.

Ask: "At death, what exactly do my beneficiaries receive under this policy if there is cash value and no loan? If there is a loan? Show me in the contract or illustration."

The answer can depend on policy design and death-benefit option. The quick consumer rule is not to assume that every dollar shown as cash value is an additional dollar paid on top of the stated death benefit.

6. PROCESS TRICKS: REPLACEMENT, ROLLOVER AND URGENCY

Pressure point	Consumer response
Policy replacement	A new policy may restart acquisition costs, surrender schedules, contestability periods or other economics. Compare old and new values line by line before replacing.
Retirement-account rollover pitch	Do not move retirement assets into an insurance strategy merely because the salesperson calls it tax-advantaged. Compare tax status, liquidity, costs, guarantees and alternatives with a qualified independent professional.
Same-day close	A decades-long insurance commitment does not become better because a birthday, class, promotion or appointment ends today. Take the illustration and contract away for review.
Application manipulation	Never overstate health, income, assets or another underwriting fact. A false application can become a serious problem when the policy is later relied upon.

REPLACEMENT RULE

Do not surrender a working policy until the old policy values, surrender consequences, new-policy costs, new guarantees and reason for replacement are documented in writing.

7. AUTO AND HOME: THE RENEWAL IS THE PRODUCT

The auto/home side of Insurance Remedy does not attempt to prove why an insurer changed a rate. Many lawful risk, loss-cost, regulatory, geographic, catastrophe, repair-cost and underwriting factors can move premiums. The tool's job is simpler: compare what you are paying with real matched alternatives.

The canonical master discusses price optimization and loyalty penalties, but marks those rules and state restrictions as time- and jurisdiction-sensitive. The quick calculator therefore does not declare that a renewal increase was caused by price optimization. It shows the renewal change and what competing insurers will charge for matched coverage.

IGNORE THE DISCOUNT LABEL

A "loyalty discount" is economically irrelevant if the final annual premium is still worse than comparable competing coverage. Compare the bottom line.

8. SAME COVERAGE OR THE COMPARISON IS VOID

A cheaper quote can be cheaper because it covers less. Before ranking auto or homeowners quotes, match the important limits and contract features.

Coverage	Check	Why
Auto liability	Bodily injury and property-damage limits	Must match before price ranking.
Uninsured/underinsured motorist	Limit and stacking structure where applicable	Must be visible.
Comprehensive/collision	Deductibles and included/excluded vehicles	Deductible changes can create false savings.
Rental/towing	Included limits and conditions	Keep visible if material.
Home dwelling	Coverage A amount / valuation basis	Do not compare a lower dwelling limit as though equal.
Home contents	Replacement cost vs actual cash value where applicable	Material difference.
Deductibles	All-peril and catastrophe/wind/hurricane where applicable	Large deductible can create large apparent savings.
Liability	Personal liability and related coverages	Match limits.

Coverage	Check	Why
Endorsements	Water backup, ordinance/law, scheduled property and other material endorsements	Missing endorsement can invalidate comparison.

9. THE LOYALTY BANK: SHOP ALWAYS, SWITCH CONDITIONALLY

A new carrier may be cheaper but switching can cause the buyer to lose real benefits. Insurance Remedy calls those accumulated advantages the loyalty bank.

Potential loyalty-bank item	Treatment
Bundle economics	Changing auto may change home pricing, or vice versa. Compare the entire household insurance total.
Accident forgiveness	Record whether it exists, what event it protects, and whether it is actually transferable or lost.
Deductible credits	Record any earned deductible reduction or other accrued credit.
Claims-free benefits	Record any documented benefit that disappears when leaving.
Other carrier-specific benefits	Only include a dollar value if the value can be reasonably established from actual terms.

SWITCH RULE

SHOP regardless. SWITCH only when the competing offer is materially better after matched coverage and the documented value of benefits you would give up.

10. CLAIMS AND COVERAGE GOTCHAS

- A low premium obtained by stripping needed coverage is not savings.

- Actual cash value and replacement cost are different settlement concepts. Know which one your policy uses for the relevant property.

- For a disputed claim value, preserve photos, invoices, inventories, contractor/repair estimates, correspondence, and the policy language.

- A first claim offer is an offer, not necessarily a final adjudication of every disputed amount. Use the policy, documentation, state rules and applicable appraisal/appeal processes.

- Insurance Remedy should not label an insurer's claim decision 'fraud' from a dollar difference alone.

11. THE 10-STEP INSURANCE REMEDY PROCESS

STEP 1 - Define the job

How much protection is needed, for whom, and for how long?

STEP 2 - Get matched real quotes

For life, same death benefit and comparable term. For auto/home, same material coverage limits and deductibles.

STEP 3 - Separate insurance from investing

If a permanent policy is pitched as an investment, compare the premium difference with an outside investment scenario.

STEP 4 - Demand the guarantee

For IUL or other illustrated permanent products, record guaranteed values separately from illustrated values.

STEP 5 - Ask how the seller is paid

Record disclosed compensation or UNKNOWN. Do not fabricate a commission estimate.

STEP 6 - Audit replacement risk

If replacing a policy, compare surrender value, lost benefits, new charges, new contestability/surrender schedule and the exact reason.

STEP 7 - Shop the renewal

For auto/home, obtain real competing quotes rather than arguing with a loyalty label.

STEP 8 - Normalize the coverage

Do not rank mismatched quotes.

STEP 9 - Net the loyalty bank

Calculate what is genuinely lost by switching and subtract that from gross savings.

STEP 10 - Sign only the product you actually chose

Verify final policy type, premium, limits, riders, deductibles, beneficiary/ownership information and any important exclusions before relying on coverage.

12. QUICK CALCULATOR 1 - LIFE GAP

Purpose: compare a real permanent-life proposal with a real term quote for the same death benefit, then model what happens if the annual premium difference is invested.

THIS IS A SCENARIO, NOT A GUARANTEE

Investment returns are assumptions. Policy illustrated values may also be non-guaranteed. The calculator's job is to make both assumptions visible, not to pretend either future path is certain.

Input / output	Value
Death benefit	$________
Permanent product type	Whole / UL / IUL / other
Permanent annual premium	$________
Matched term annual premium	$________
Term length / comparison horizon	_______ years
Annual premium difference	$________
User-selected investment return assumption	_______ %
Fund expense ratio assumption	_______ %
Permanent illustrated cash value at horizon	$________
Permanent guaranteed cash/surrender value at horizon	$________ / N/A
Disclosed agent/firm compensation	$________ / UNKNOWN
Projected term + investment account value	$________
Gap vs illustrated policy value	$________
Gap vs guaranteed policy value	$________

The life calculator must not tell every user to buy term. If the user identifies a genuine permanent-insurance need, the result should say the permanent product MAY fit and recommend a comparison with a fee-only or otherwise conflict-controlled qualified advisor.

13. QUICK CALCULATOR 2 - AUTO/HOME RENEWAL COMPARISON

Input / output	Value
Current annual premium	$________
Last renewal increase	_______ %
Coverage match confirmed?	YES / NO
Competing quote 1 annual premium	$________
Competing quote 2 annual premium	$________
Competing quote 3 annual premium	$________
Best matched competing premium	$________
Gross annual savings	$________
Bundle value lost if switching	$________
Other documented loyalty-bank value lost	$________
Net annual gain from switching	$________
Decision	STAY / SWITCH / FIX COVERAGE MISMATCH / GET MORE QUOTES

If coverage does not match, the calculator must refuse to rank the prices. A lower premium with lower protection is not an Insurance Remedy win.

14. RED FLAGS AND GREEN FLAGS

RED FLAGS - STOP AND VERIFY

- Only an optimistic permanent-life illustration is shown; guaranteed values are missing or minimized.

- The seller refuses to explain what changes under lower crediting or higher policy charges.

- A permanent policy is presented as a guaranteed replacement for a 401(k), pension, or ordinary investing without a full comparison.

- The seller will not explain how they and their firm are paid.

- Pressure to replace an existing policy before the old policy's surrender value and lost benefits are documented.

- Pressure to sign the same day.

- Instructions to misstate health, income, assets or another application fact.

- The policy delivered does not match the product, premium, riders or terms the consumer believed they bought.

- An auto/home quote is called cheaper even though important coverage limits or deductibles are different.

GREEN FLAGS - TRANSPARENT ADVISOR / AGENT

- Quotes term life without being forced to.

- Explains when permanent coverage may legitimately fit and when it may not.

- Shows guaranteed and non-guaranteed values side by side.

- Explains compensation directly.

- Does not pressure a replacement or rollover.

- For auto/home, compares multiple carriers with the same material coverage limits.

- Identifies where the cheapest quote is weaker rather than hiding the difference.

- Is willing to say the current policy is competitive when the numbers support it.

15. EXACT CONSUMER SCRIPTS

Situation	Say this
LIFE PRODUCT	"Give me a term quote for the same death benefit and protection period. I want to compare the insurance need separately from the cash-value strategy."
IUL	"Show me the guaranteed values, the current illustrated values, and a more conservative scenario. Tell me what the insurer can change after issue and what happens if performance is lower."
COMPENSATION	"How are you and your firm paid if I buy this policy? What do you earn on this policy compared with term insurance?"
REPLACEMENT	"Before I replace anything, show me the old policy surrender value, what I lose, every new charge or surrender period, and exactly why the new policy is better."
AUTO/HOME	"I am comparing total annual premium at the same coverage limits and deductibles. If the coverage is different, I am not treating the quotes as comparable."
CURRENT INSURER	"My renewal is $____. I have a matched quote at $____. Before I move it, show me the total effect on my bundle and any benefits I would actually lose."

SOURCE, SCOPE AND UPDATE RULES

This guide is built from Insurance Remedy - Master v2, July 2026. That source explicitly defines Insurance Remedy as two comparison/true-cost calculators rather than a fair-price engine. It also marks several market figures and state-law propositions as [VERIFY] or [STATE], meaning they must be updated before being presented as current facts.

Accordingly, this consumer PDF deliberately does not hard-code:

- a universal permanent-life commission percentage;
- a universal term-vs-permanent premium multiple;
- a universal auto/home switching-savings number;
- a universal market-trend percentage;
- a universal price-optimization rule across states;
- a universal switching threshold that substitutes for the buyer's actual numbers.

FINAL STANDARD
Insurance Remedy should answer with the consumer's real quotes and policy documents. Unknown stays unknown. Same-for-same is mandatory. Permanent life can be a fit. Staying with the current insurer can be a fit. The result follows the evidence - not the product category.

Educational comparison and issue-spotting only. Insurance products, state law, taxation, policy guarantees, suitability standards, licensing duties, credit/rating rules and claim processes vary. Read the actual policy and current state/regulatory sources and consult qualified professionals where appropriate.