

Insurance Matters

Delaware Department of Insurance

A Newsletter for Delawareans

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Our Mission

Protecting Delawareans through regulation and education while providing oversight of the insurance industry to best serve the public

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The Consumer Comes First

Hello, and thank you for reading the Fall 2016 edition of **Insurance Matters**, the Delaware Department of Insurance e-newsletter that provides insurance information about matters affecting Delaware's families and businesses. Whether you need help with a simple question or feel that your claim has been wrongly denied, the staff of the Department of Insurance is here to serve you. If you're having trouble resolving an issue with an insurance company or an agent, give us a call.

Fall is always a busy time for families, especially for those with children who are returning to school. If you have a son or daughter in high school or college who drives and is on your auto policy you already know that the cost to insure them can be quite high. Luckily, many companies offer some version of a "good student discount" if your student maintains a good GPA. While these discounts differ from company to company, a 3.0 GPA (a "B" letter grade) is usually what is required to qualify for the premium discount.

Don't have a student driver on your policy but are still interested in finding ways to save on your auto insurance? If you haven't picked up the phone lately and called your insurance company to see if you might be missing out on any discounts, you should give it a try. Insurance companies aren't going to call you to tell you about discounts, so be your own advocate and take a few minutes to see if you might be able to save a few dollars.

For individuals with Medicare, fall is the time to review your Part D prescription drug plan. Turn to pages 4 and 5 to learn more about the annual Open Enrollment Period, which begins on October 15 and ends on December 7. The Delaware Medicare Assistance Bureau is available to help you review your drug plan options. If you have family, friends or neighbors who are on Medicare, please share this information with them. Many people don't realize that they could save a lot of money since these drug plans change every year.

Finally, check out the article on page 2 about how the Department of Insurance may be able to help you locate a lost or missing life insurance policy. This new, free service requires you to print and complete a form as well as send in some accompanying documents. If you have friends or family who have talked about this topic, please let them know about this new service. We're here to help, but with your assistance we can spread the message even further and help more Delawareans!

Questions about your insurance? Call 1-800-282-8611

www.delawareinsurance.gov



Life Insurance Locator

The DOI May be Able to Help You Locate a Missing Life Policy

Do you believe your deceased loved one has a life insurance policy that you cannot find? The Delaware Department of Insurance can help you try to locate it.

Commissioner Karen Weldin Stewart recently announced that the Department now provides Delaware residents and their families with a free search service that can help locate missing life insurance policies or annuity contracts left behind by loved ones who have passed away.

"I'm happy that the Department has set up this new service to help Delawareans locate lost insurance policies that were purchased in our state," said Commissioner Stewart. "Our search will enable eligible persons to contact every life and annuity insurer licensed in Delaware in order to look for a lost policy or contract. I'm always fighting for consumers and this new service should help many of them find the benefits to which they are entitled."

The service works like this: An executor, beneficiary or legal representative of a deceased resident or former resident of Delaware may file a search request with the Department of Insurance. To submit a request, print out the Missing Life Insurance/Annuity Search Request Form on the DOI website at <http://www.delawareinsurance.gov/services/missingpolicy.shtml>.

The form should be filled out, then signed before a Notary Public. Be sure to attach a copy of the

decedent's certified death certificate. Then place the documents in an envelope marked "Confidential" and mail it to the address printed on the form.

Please note that the Department of Insurance does not guarantee that every requested policy will be found. Upon receipt of the request form, the Department will send the search request and any attachments to all Delaware-licensed life insurance companies for review. An insurance company must process a policy and/or contract if they have information about a life insurance policy or annuity contract on the deceased person's life. The insurance company will contact the requestor directly if money is to be paid to them.

Call the Consumer Services Division at 1-800-282-8611 if you need additional information.



Check for recalls on your automobile in less than a minute! Seriously, it's super easy. All you have to do is enter your vehicle's VIN (the 17 digit number you can find in the corner of your windshield or on your insurance ID card) into this website: <https://vinrcl.safercar.gov/vin/>.

Home & Auto: Autumn Safety

Atlantic Hurricane Season Runs Through November 30

The Atlantic hurricane season doesn't officially end until November 30, so don't assume the threat of a hurricane has passed us by for the year. Even areas well away from the coastline can be threatened by dangerous flooding, destructive winds and tornadoes spawned by tropical storms and hurricanes.

What type of storm damage does my homeowners insurance policy typically cover? A standard homeowners policy should cover wind damage from hurricanes and tropical storms but you likely be required to pay either a flat deductible or a hurricane deductible. A hurricane deductible is usually set as a percentage of a home's insured value-typically

1 to 5 percent. Usually you can find information about hurricane or storm deductibles on the main declarations page of your policy.

Losses caused by flood waters will not be covered unless you have a flood insurance policy. Storm surges caused by strong storms is considered flood damage. Want to learn more about your property's flood risk? Go to the National Flood Insurance Program's website, www.floodsmart.gov, to learn about your risk, estimate your premiums and find an agent that serves your area. Typically, there's a 30-day waiting period from the date of purchase of a flood insurance policy before the policy goes in to effect.

Collisions with Deer Spike During Fall Months; Drive Cautiously

State Farm recently released its annual deer claim study, which ranks states by the potential drivers had of hitting a large animal, including deer, elk and moose over a given time period. Delaware was ranked 28th in the listing, down from 23rd last year. According to the data from State Farm, Delaware drivers had a 1 in 148 chance of colliding with a deer in the previous year.

State Farm's press release on the study noted, "The likelihood of colliding with a large animal more than doubles during the months of October, November and December, during deer mating season. Whether you hit a large animal or it jumps into the side of your vehicle, such collisions can cause significant injuries and property damage. No matter where you live, it's important to keep your eyes up and focus on the road, helping you take action in the event a large animal is suddenly in your path." Additional tips from State Farm to help keep drivers safe include:

- Slow down, particularly at dusk and dawn

- If you see one deer, be prepared for more deer to cross the road
- Pay attention to deer crossing signs
- Always buckle up, every trip, every time
- Use your high beams to see farther, except when there is oncoming traffic
- Brake if you can, but avoid swerving, which could result in a more severe crash
- Remain focused on the road, scanning for hazards, including animals
- Avoid distractions, like devices or eating, which might cause you to miss seeing an animal
- Do not rely on products such as deer whistles, which are not proven effective
- If riding a motorcycle, always wear protective gear and keep focus on the road ahead



Medicare Open Enrollment

5 Things You Need to Do This Fall if You're on Medicare

Routines help keep us focused, organized and even healthy. However, if your health routine doesn't include preparing for Medicare's Open Enrollment, now's the time to kick start a new healthy habit.

If you have a Medicare health or prescription drug plan, Open Enrollment runs October 15 through December 7 and is the time you can make changes to your plan. Even if you're happy with your current coverage, you might find something that's a better fit for your budget or your health needs. If you miss an Open Enrollment deadline, you'll most likely have to wait a full year before you can make changes to your plan.

Here are five important things every Medicare beneficiary can do to get in the Medicare Open Enrollment routine.

1. Review your plan notice. Be sure to read any notices from your Medicare plan about changes for next year, especially your "Annual Notice of Change" letter. Look at your plan's information to make sure your drugs are still covered and your doctors are still in network.

2. Think about what matters most to you. Medicare health and drug plans change each year and so can your health needs. Do you need a new primary care doctor? Does your network include the specialist you want for an upcoming surgery? Is your new



medication covered by your current plan? Does another plan offer the same value at a lower cost? Take stock of your health status and determine if you need to make a change.

3. Find out if you qualify for help paying for your Medicare. Learn about programs in your state to help with the costs of Medicare premiums, your Medicare Part A (hospital insurance) and Medicare Part B (medical insurance) deductibles, coinsurance and copayments and Medicare prescription drug coverage costs. You can do this by visiting Medicare.gov or making an appointment with a local State Health Insurance Assistance Program (SHIP) counselor.

4. Shop for plans that meet your needs and fit your budget. Starting in October, you can use Medicare's plan finder tool at Medicare.gov/find-a-plan to see what other plans are offered in your area. A new plan may:

- a. cost less;
- b. cover your drugs; and/or
- c. let you go to the providers you want, like your doctor or pharmacy.

If you find that your current coverage still meets your needs, then you're done. Remember, during Medicare Open Enrollment, you can decide to stay in Original Medicare or join a Medicare Advantage Plan. If you're already in a Medicare Advantage Plan, you can switch back to Original Medicare.

5. Check your plan's star rating before you enroll. The Medicare Plan Finder has been updated with the 2016 Star Ratings for Medicare health and prescription drug plans. Plans are given an overall quality rating on a 1 to 5 star scale, with 1 star representing poor performance and 5 stars representing excellent performance. Use the Star Ratings to compare the quality of health and drug plans being offered.

October 15 - December 7

How Can DMAB Help You During Open Enrollment?

During the annual Open Enrollment Period, the Delaware Medicare Assistance Bureau (DMAB) requests that Medicare beneficiaries make an appointment to review your Part D plan options, as the staff and volunteers are very busy during this time. If you come to a location without an appointment you will be assisted when time allows, between other scheduled appointments.

The Delaware Medicare Assistance Bureau (DMAB) provides free health insurance counseling for people with Medicare, including those under 65 years of age. You can call DMAB at 1-800-336-9500 or (302) 674-7364 to set up a free counseling session with a trained volunteer at a convenient site near you. Our goal is to empower people with Medicare to better understand their options and enable them to make the best health insurance decision for themselves.

DMAB provides counseling and assistance on questions and problems related to Medicare, Medicaid, Medigap (Medicare supplemental insurance), Medicare Part D, long-term care insurance and other types of health insurance.



There is no charge for the service.

Counselors provide in-person and telephone assistance in the following general areas:

- Medicare Prescription Drug Coverage Program (Medicare Part D)
- Medicare supplement insurance (Medigap Plans)
- Assistance for disabled Medicare beneficiaries (under age 65)
- Medicare Advantage Plans (HMOs, preferred provider organizations)
- Medical Assistance programs
- Assistance for low-income beneficiaries
- Billing problems
- Prescription savings for those who qualify

Counselors with DMAB are volunteers who have completed extensive training on health insurance. Counselors provide one-on-one assistance in an objective and confidential manner. To become a DMAB volunteer and help other Medicare beneficiaries understand their health insurance options, please call 1-800-336-9500 or (302) 674-7364.

DMAB is Delaware's State Health Insurance Assistance Program and is funded in part by a grant from the Administration for Community Living.



Helpful Reminders

Take Action Now to Prepare for Disasters in the Future

September is National Preparedness Month

America's PrepareAthon! occurs twice a year, once in the spring and once in the fall. America's PrepareAthon! is a national community-based campaign for action to increase emergency preparedness and resilience through hazard-specific drills, group discussions, and exercises. Held every spring and fall, America's PrepareAthon! encourages Americans across the country to practice preparedness actions before a disaster or emergency strikes.

Participation guides for individuals and families, workplaces, K-12 schools, institutions of higher education, houses of worship, and community-based organizations will be available online at www.ready.gov/prepare.

Here are five ways your business, school, or house of worship can participate in America's PrepareAthon:

1. Sign up to receive emergency alerts by phone and/or email.
2. Make a plan for backing up and securing important information and records.
3. Conduct an exercise or drill with your staff.
4. Make an emergency kit. Or, if you already have one, open it up and make sure that the food, water, and medical supplies haven't expired.
5. Document your property now to make the insurance claims process easier.

Four Insurance Changes to Make When You Retire

Whether you're newly retired or it's just around the corner, whatever you have planned for the next chapter in your life make sure that your insurance is ready, too. Here are a few insurance-related topics for you to consider at this stage in your life:

1. Health insurance: Options will vary depending on where you retired from and/or your age. It's best to talk with your HR department before you retire.
2. Ask your auto insurance company if they offer a discount, especially if you will be reducing the number of miles you drive regularly.
3. Ask your home insurance company if they offer a discount for retirees. Also, if you plan on traveling for long periods of time (often more than a month) you should tell your insurer in advance as you may need an endorsement since your policy is probably written assuming you will be home most of the time.
4. Look in to long-term care insurance and reconsider your life insurance needs.

Insurance Guide for College Students, Parents

If you are the parent of a college student you probably have already dealt with questions related to their health insurance while they are away at school. However, there may be other concerns that need your attention, especially if your child takes a car to school with them or lives in an off-campus apartment. Read the guide and then share the link with your college student: <http://www.delawareinsurance.gov/Guides/College-Insurance-Guide.pdf>

Captive Industry's Impact

Captive Insurance Program Boosts DE's GDP, Jobs, Incomes, Taxes

Insurance Commissioner Karen Weldin Stewart announced the release of a new University of Delaware economic impact study on August 10, which shows that the Department of Insurance's captive insurance program contributes nearly \$360 million to Delaware's annual gross domestic product. The captive program also directly and indirectly supports 2,537 Delaware jobs, creates almost \$109 million in additional income, and generates over \$5 million for the state in tax revenue, the report shows.

The study, *The Economic Contributions of the Captive Insurance Industry to the Delaware Economy*, was conducted on behalf of the DOI by the University of Delaware's Alfred Lerner College of Business & Economics' Center for Applied Business & Economic Research (CABER), which has produced similar economic impact studies for the Firefly Music Festival and Delaware's horseracing industry.

CABER surveyed 1081 captive insurance companies doing business in Delaware and used data from businesses providing services to those companies. The report breaks out the program's economic impact per \$1,000 spent by the DOI for the captive industry. For every \$1,000 spent, 1.95 jobs are created, \$83,574 in

income is generated, and \$4,301 in taxes are collected. Captive program spending supports 950 jobs in finance and investment industry, 447 jobs in legal, accounting and professional support, and 209 retail jobs. The complete report may be found at <http://captive.delawareinsurance.gov/docs/pdfs/captive-industry-impact-on-de-econ-caber-report-201608.pdf>

"I instituted the Bureau of Captive and Financial Insurance Products in 2009 and I've watched it grow ever since," said Commissioner Stewart. "Thanks to my captive director, Steve Kinion, and my topnotch captive staff, we are consistently one of the top captive domiciles in the US and in the world. But until now, I don't think many people were aware of exactly what we contribute to Delaware's economy. The CABER report rewards my faith in captives as a revenue generator for our state."

Captive insurance entities are owned by the companies that they insure, and are generally formed by businesses who wish to better manage the cost and administration of their insurance coverage. DOI's captive bureau is self-sustaining and currently contributes an annual surplus in tax and fee revenue of over \$3 million to the Delaware general fund.

Reporting Insurance Fraud in Delaware: Why and How

It is estimated that insurance fraud costs exceed over 80 billion dollars annually in the U.S. Those costs are usually borne by consumers through higher premium rates for coverage. Reporting insurance fraud can help reduce premium costs and can be done safely, confidentially and anonymously. When reporting suspected insurance fraud, try to provide as much detail as possible, including:

- Dates and names of individuals involved
- Addresses and phone numbers of those involved
- Loss amount

- Name of insurer
- Any relevant documents
- Full details of the incident

Consumers may report suspected insurance fraud to the Department of Insurance Fraud Bureau through the Department's website, delawareinsurance.gov, or by calling 800-632-5154 (in-state only). Another option is to contact a representative of the specific insurer which could initiate a fraud investigation and referral to the Department's Fraud Bureau.