



Insurance Matters

COMMISSIONER KAREN WELDIN STEWART, CIR-ML

The people come first.

Guiding you to the coverage you need.

Ask [?]the
Commissioner

Greetings!

This edition of **Insurance Matters** presents information on eight timely insurance topics including: federal health care reform, the Medicare Drug Program, credit scoring, retained asset accounts, insurance fraud, insurance annuities, tips on speaking with your claims representative, and more.

I realize insurance topics can make for dull reading. So, I've tried to present them in an interesting way.

In addition, my staff is ready to advise you on various insurance topics,

to help you with problem solving and to inform you of your rights.

This edition also marks the debut of [Ask The Commissioner](#) – a way for you to bring your questions directly to my desk.

Ask the Commissioner is another feature of my department's *consumer-first* orientation.

I hope you enjoy this edition. Be sure to contact me with your suggestions for future topics!

Most Sincerely,
Karen Weldin Stewart
CIR-ML

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Life & Health

Consumers & Business

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 Helpful Links

[HealthCare Reform](#)

[Test Pre-authorization](#)

[Delaware Division of Medicaid & Medical Assistance](#)

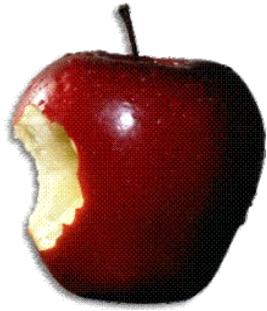
[Medical Society of Delaware](#)

[National Association of Insurance & Financial Advisors—Delaware](#)



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LIFE & HEALTH



Variable Annuities

The uncertainty in the US economy probably explains the big [increase in variable annuity sales](#). Variable annuities are typically used as part of an individual's investment or retirement plan. While there is no denying their popularity, recent history justifies a word of caution – especially for [Delaware senior citizens](#). Variable annuities may include restrictive features and penalties for early withdrawal. In the past, some sellers of variable annuities have come under scrutiny for their hard sell tactics aimed at seniors. Read your prospectus carefully; know what is or what is not guaranteed.

Insurance Department Plans Medicare Events –“Part D” Enrollment Period Approaching

Soon, Delawareans will again have the opportunity to enroll in a Medicare Part D drug plan. The **2011 enrollment period runs November 15- December 3** and you'll be able to:

- ◆ Change to a different plan
- ◆ Enroll in a plan if you missed the initial deadline
- ◆ Dis-enroll from Medicare drug coverage

Doing a Medicare Part D check-up is just as important as your annual medical check-up. Plans can change from year to year so your current plan may not be the best one for you in 2011. Part D plans will begin announcing their 2011 plans on October 1 and beneficiaries will get their Notice of Change letters by October 31st.

I hope to see you at one of our Medicare Part D events. Check out our [website](#) to find an event near you. Or, call *ELDERinfo* at 302-674-7364 or 800-336-9500 to schedule an appointment.

LIFE & HEALTH



Survey Findings on [Federal Health Care Provisions...](#)

“Consumers just not informed”

Only a small number of Americans seem sufficiently informed about the federal health care law; still, the first provisions of the new law officially took effect September 23rd. Meanwhile, other, more complex elements of the law will also take effect for years to come. These findings were reported by the [National Association of Insurance Commissioners, \(NAIC\)](#) which surveyed 1,000 Americans this past August. NAIC President Jane L. Cline quickly urged consumers to get informed about federal health care and to contact their state insurance departments with questions. I can personally attest to the findings of the NAIC survey. Most Delawareans are just not informed. The good news is my staff has been closing the gap by direct consumer contact, outreach events, and written materials. We know more work remains. So, if you know an individual or business owner with a question, please have them contact my office. Call the DOI Consumer Service Hotline at 1-800-282-8611.

Flu Season has Arrived

The flu season is here and experts say the best way to protect yourself against the fever, aches, tiredness, etc., is to get a flu shot. Medical professionals say this is especially true for those under 18 and those older than 50. For more information, including a list of locations offering flu shots to those without health insurance, click on this link from the [Delaware Health and Social Services, Division of Public Health.](#)

LIFE & HEALTH



Department Receives BCBSD and Highmark Affiliation Statement

On October 7, 2010, the Delaware Department of Insurance received the Statement Regarding the Affiliation of BCBSD, Inc. d/b/a Blue Cross and Blue Shield of Delaware (“BCBSD”) with Highmark Inc. (“Highmark”). Through this business affiliation, Highmark, a Pennsylvania non-profit corporation, seeks to become the sole member of BCBSD. The affiliated entity would continue as a separate Delaware non-stock corporation subject, as it is today, to regulation by the Department. The Department will conduct a formal review process culminating in a public hearing presided over by an independent hearing officer. The Commissioner will ultimately review the proposed transaction in accordance with the requirements of the Delaware Insurance Code, including its impact on competition for insurance products, the financial condition of BCBSD after the proposed transaction, the experience and competence of the proposed management and the impact of the transaction on Delaware policyholders and the insurance-buying public.

The Department invites public comment. If you wish to comment, [please contact our office](#).

To view the Affiliation Statement, [click here](#).

Ask? the Commissioner



This edition of **Insurance Matters** marks the debut of a new customer service offered by the Delaware Department of Insurance entitled, "[Ask the Commissioner](#)".

Ask the Commissioner enables you to present your insurance-related questions and comments directly to me! My hope is that your question (and my response) will help you and other Delawareans. To accomplish this goal, I will respond to all questions ASAP and I will post your topic and my response for the broader benefit of this newsletter's readership.

This new customer service fits perfectly with my personal leadership goal which is to keep the insurance customer first.

And, remember, I am available to visit your business or professional organization to address a specific insurance topic. Please [contact my office](#) to make those arrangements.

CONSUMERS & BUSINESS

RETAINED ASSET ACCOUNTS AND LIFE INSURANCE



The death of a spouse or other loved one is a difficult time. In addition to the emotional stress, financial burdens may also arise. Life insurance is intended to assist with these financial burdens. While life insurance policies provide for a single payment of the death benefit, policies may also offer other payout options. [The Delaware Insurance Department](#)

together with the [National Association of Insurance Commissioners \(NAIC\)](#) suggests you consider the [attached information](#) if a life insurance company offers you a Retained Asset Account as an option to a single payment. Please contact our consumer services department at 302-674-7310 or 800-282-8611.

Are You Credit Literate?

Are you aware of the connection between your credit score and your insurance premiums? In Delaware, insurers can use credit scores when writing new home and auto policies. So, before buying a new policy it is wise to check your credit score. ([Credit scores](#) cannot be used at renewal unless the score has improved and you request a review.)

Here are four practical things you can do to improve a weak credit score. Check your report annually at: [AnnualCreditReport.Com](#). Correct problems immediately. Pay your bills on time. Don't apply for unnecessary credit cards. <http://dcrac.org/creditclinic.html>

If serious illness, divorce, identity theft, or similar extraordinary circumstance has hurt your credit score, Delaware law provides you the right to appeal to your insurer for a dispensation. Talk to your insurer or call my consumer services staff at 302-674-7310 or 800-282-8611 for more information

CONSUMERS & BUSINESS



DE Insurers Pay for Re-Vaccination

Though under no obligation to do so, Delaware's four largest health insurance companies have agreed to shoulder the cost of properly re-vaccinating certain Delaware children. (The children in question are the former patients of the Sussex County pediatrician under investigation by the attorney general for alleged wrong-doing including the improper administration of required shots.) In so doing these insurers are providing emotional relief to the parents of the affected children and to Delaware taxpayers who otherwise would have been liable for the expense. The companies in question include Blue Cross and Blue Shield, Aetna, Coventry and United Health Care. Please join me in commending their exemplary behavior:

Blue Cross & Blue Shield, Timothy Constantine, 302-421-3000

Aetna, Ron Williams, 860-273-0123

Coventry, David Reynolds, 800-727-9951

United Health Care, Allen John Sorbo, 877-832-7734

For more information on re-vaccinating, click on this link from the [Delaware Health and Social Services, Division of Public Health](#).

Information Link for Consumers:

[DNREC Secretary encourages Delawareans to conserve water.](#)



Workplace & Safety FRAUD



Discount Medical Plans

In our last newsletter we warned you about fraudulent “Discount Medical Plans” that masquerade as legitimate insurance products.

Since then, the [Federal Trade Commission](#) has unveiled a nice website offering valuable “how to” tips including how to spot a scam.

In addition, my staff worked for the passage of a [new law in Delaware](#) which requires companies that sell Discount Medical Plans to be bonded and licensed. This will reduce the incidents of fraud AND aid our prosecution of schemers. Remember, if it sounds too good to be true, [contact our Fraud Unit](#) first.