

# INSURANCE MATTERS

150 Years  
Of Consumer Protection

## A Moment in Time

The Office of Insurance Commissioner was established in 1865. Each issue of Insurance Matters will share a page in the 150 year history of insurance regulation and the "Insurance Capital."

**"Commissioners Slam Fraternal's"** was the headline in a 1917 issue of "The Weekly Underwriter" in describing the three-day meeting of the National Convention of Insurance Commissioners.

Held in New York, the event drew 28 state commissioners including Connecticut **Commissioner Burton Mansfield**, who served from 1894-1895 and again 1912-1923.

The publication noted that the meeting "got off to a slow start," but before it adjourned "notice was served on fraternal having inadequate rates to meet the requirements of the Mobile bill in 1920." Enacted by states in 1920, the Mobile Bill addressed the solvency of fraternal insurance organizations by requiring minimum rates for fraternal orders.

**Questions or Concerns?**  
Contact CID's Consumer Affairs at:

[cid.ca@ct.gov](mailto:cid.ca@ct.gov)

(860) 297-3900

(800) 203-3447

Follow the CID at:



*Insurance Matters* is for informational purposes and is not intended to constitute legal advice.

## Consumer Affairs

# HELP IS HERE WHEN YOU NEED IT

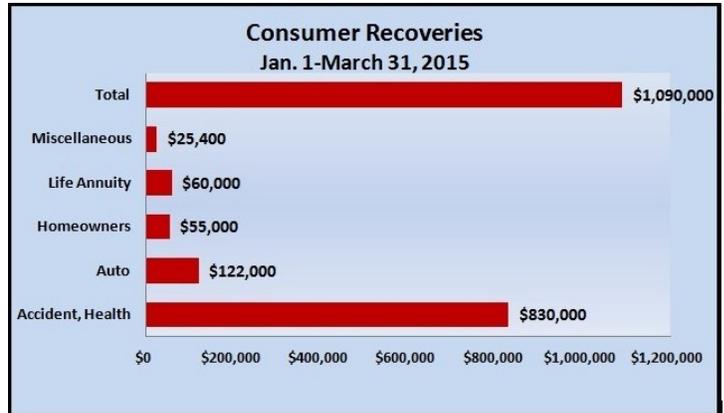
Here for you.

A simple statement but it speaks volumes when you need it most. The Insurance Department has a division that is here for you - dedicated to your questions, your concerns, your complaints.

Staffed by examiners knowledgeable in the laws and regulations that insurance companies must follow, our Consumer Affairs Unit fields thousands of phone calls and emails each year and helps consumers recover, on average, more than \$4 million annually.

In the first quarter of 2015, we helped recover nearly \$1.09 million in claims and benefits rightfully owed to policyholders who asked for our help in resolving their issues. No matter the policy - homeowners, auto, life or health - we understand that the claims process often occurs at a time of great stress.

For example, adult children dealing with the death of a parent face daunting paper-



work to close out life insurance policies and annuities. We helped someone with that very problem as part of our first quarter recoveries.

Months after filling out countless forms, the beneficiaries had not received the funds from their deceased parent's policy. We stepped in on their behalf and resolved the issue within several days.

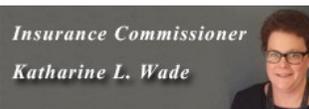
We also helped a patient who had a hospital bill of nearly \$30,000 get that paid by her insurance company after the carrier initially claimed it was not liable for the bill.

These are just a few examples of what the Department's Consumer Affairs Unit does every day. Whether your complaint involves a claims issue or a simple question on your insurance plan, we can help you get answers and resolutions to your insurance-related concerns.

It's what we do because we're here for you.

## LOST IN TRANSLATION? WE CAN EXPLAIN

Insurance can be a complex issue at times with terms and explanations that sound like a foreign language. We know that can be frustrating, especially when you rely on the insurance you have paid for to be there when you need medical services, auto repairs or life and annuity payments.



Enter our Consumer Affairs Unit. The examiners speak your language to help you understand your coverage. They're also ready to go to bat for you if your claims process

gets snarled in red tape. In this issue of "Insurance Matters" we're pleased to highlight our Consumer Affairs Unit.

Also in this issue, we bring you important information about home safety and help explain the basics of annuities and life insurance.

## THE LIBRARY IS OPEN!



### If a tree falls...

What is the first line of defense against tree damage?

You are.

Homeowners can take a number of steps to safeguard their property from damage caused by falling trees and limbs. [Reducing Tree Damage](#) can be a must-read heading into storm season this year. Published by the [Insurance Institute for Business & Home Safety](#), this free brochure is one of several we have on the "shelves" of our online [Consumer Resource Library](#).

The IBHS brochure offers tips on how to spot potential problems in and around trees, such as signs of decay and cracks in trunks and major limbs. There is also advice on proper pruning and what to do with tree stumps.

But, you don't have to be stumped when it comes to preparing your property against potential damage. The Library also has brochures on:

[Preventing Water Damage](#)  
[Business Recovery](#)  
[Hurricane Retrofits](#)

## Life/Annuities

### THE ABCS OF ANNUITIES & LIFE INSURANCE

Whether you are a Boomer, GenXer or Millennial finding the right financial product to help you plan for your future is essential. There are many options to consider and the Insurance Department has resources to help you learn more about [Life and Annuity insurance](#).

**Permanent Life Insurance**, also known as universal life, variable life and whole life, provides long-term financial protection and generally includes both a death benefit and cash savings.

**Term Life Insurance** covers you for a term of one or more years and pays a death benefit only if you die during that term.

**Annuities** are investment products in which an insurance company makes a series of income payments at regular intervals in return for a premium you have paid. There are several types of annuities including single and multiple premium annuities, immediate and deferred annuities, fixed and variable annuities and equity-based indexed annuities.

Be informed, be proactive about your planning and seek the guidance of a licensed investment professional to ensure that the product you



purchase is the right fit for your needs. More resources for saving up for retirement are available through the National Retirement Planning Coalition at [www.retireonyourterms.org](http://www.retireonyourterms.org)

### CODE YELLOW: SAFETY TIPS FOR GAS PIPING

Spring thunderstorms and the damaging lightning they can bring is a seasonal risk we live with in Connecticut. To keep your home or business safe this spring, the Insurance Department wants to make you aware of risk associated with gas piping made of corrugated stainless steel tubing or "yellow CSST."

If not properly bonded and grounded, electrical energy from lightning can arc, perforate



the tubing and cause a gas leak, explosion or fire.

National gas codes now require new construction and remodels to reduce the CSST-associated lightning risk but many homes built or remod-

eled after 1990 but before the codes changed, may still be at risk. The bright yellow CSST tubing is easy to spot and is generally in the area of a gas meter.

Check with a licensed electrician to determine whether piping in your home or business is properly installed.

Learn more about the risks and how to protect your property by visiting [CSSTSafety.com](http://CSSTSafety.com)

### YOU ASKED: THE CID MAY MAILBAG

#### Why should I use the insurance company's in-network providers when seeking medical services?

When you receive services from a medical provider who does not participate in the insurance company's provider network, you may have substantially more out-of-pocket expenses.

Those expenses could include paying the out-of-network deductible, any coinsurance and most importantly, any amount that the provider charges above the amount that the company sets as the allowable charge.

When possible, use an in-network provider to limit out-of-pocket expenses.

**Is Automobile Medical Payments coverage mandatory?** No. In Connecticut medical payments coverage is considered an optional coverage.

It typically provides limited medical expense benefits if the policyholder or a relative living with the policyholder or a passenger is injured in an acci-

dent. There is an additional premium cost for this coverage.

**Can someone take out a life insurance policy on another person's life without that person's knowledge or consent?** Most likely "no." Purchasing a life insurance policy may require a medical exam on the proposed insured person. That could involve getting that person's medical history from his or her doctor, who would require the signature of the proposed insured person before releasing medical records to an insurance company. An exception would be a parent buying life insurance on a child where a child's consent is not required. Also, Insurance companies make sure the customer buying the policy has an "insurable" or financial interest in the life being insured as either a blood relative, a spouse or business partner. A neighbor, for instance, wouldn't be able to show he or she has a financial interest in your life.