

# 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."

Orsamus R. Fyler was the state Insurance Commissioner from 1887 to 1893, a time of incredible growth for the life insurance industry in Connecticut. In the mid-1800s, the city of Hartford was the center of marine and fire insurance.

Life insurance picked up dramatically at the end of the Civil War in 1865.

An insurer in that boom was Connecticut Mutual Life, founded in 1846. Commissioner Fyler described its headquarters in a 1890 report:

"It is absolutely fire-proof and its vaults afford a security for its books, papers and securities nowhere else obtainable in Hartford. It is one of the most imposing edifices in the State, and has a value outside of its income production as an advertising medium as home for the largest corporation of New England."

## 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 not intended to constitute legal advice.

## STAYING VIGILANT IN AN ONLINE WORLD

To navigate through our online world we are constantly being asked for forms of identification: Name, address, Social Security Number, mother's maiden name, pin number and more. Knowing what to give out and to whom can help keep your personal information safe.

In Connecticut, health insurers may NOT use Social Security Numbers as identifiers. It's the law. Insurers cannot print your SSN on a card or require you to transmit your SSN over the Internet unless the connection is secure and information is appropriately protected through encryption or other

### Cybersecurity: ID Safeguards

- Review medical statements regularly
- Keep insurance card in secure location
- Shred paper with your medical ID
- Use direct deposit for benefit payments

means.

When you visit your doctor or hospital and provide all your insurance information they should not need to ask for your SSN.

The exception where an insurer may collect SSNs is for its Medicare products because the federal government requires SSNs as verification of eligibility.

Cybersecurity is a priority of U.S. insurance regulators and the Department is a member of a cybersecurity task force of the National Association of Insurance Commissioners. The task force is developing a "[Consumer's Bill of Rights](#)" to inform you of what your insurer can collect and how that information is being safeguarded. It also includes what your insurer must do to protect you if a data breach occurs. I encourage you to call the Insurance Department if you have questions on what information you can share with your insurer. We will be happy to assist you.

## CONFIDENTIALLY YOURS: PROTECTING PRIVACY

There is a good chance you are reading this online - from a laptop, a cell phone, an iPad or some similar device.

We all live a good portion of our daily lives in cyberspace.

Just as we have home security systems or badge entries to our offices, securing the cyber-

Insurance Commissioner  
Katharine L. Wade



space around us becomes more challenging by the day because hackers constantly are honing their criminal craft.

Insurance companies are targets due to the

massive amount of personal information that insurers use to help you protect your home, health, wealth and future.

This issue of "Insurance Matters" provides advice on helping you stay vigilant to keep your confidential information... confidential.

## THE LIBRARY IS OPEN!



**C.L.U.E. Report**

### Your Claims History At Your Fingertips

Did you know that you are entitled to a free report of your auto and homeowners claims history? You can get it because it's the law.

The federal Fair Credit Reporting Act entitles consumers to a free copy of their personal claims information report generated by consumer reporting agency, LexisNexis®.

The report contains seven years of claims history and allows you to check its accuracy and correct any mistakes.

You can obtain this information by requesting a Comprehensive Loss Underwriting Exchange (C.L.U.E.) report. Get more details in our [Consumer Resources Library](#).

## WHAT DRIVES THE COST OF YOUR PREMIUM?

Before health insurers can change their rates they must get approval from the Insurance Department.

We review the proposed rate to make certain that companies adequately calculate for the costs of medical services that they expect to pay on your behalf in the coming year.

The federal Affordable Care Act requires insurers to spend 80% or 85% of premium dollars

### Health Insurance

on medical care. If they don't they must give their customers a rebate.

Key drivers behind health insurance premiums are the cost of medical and pharmacy services and how often policyholders use those services.

Specialty drugs are very effective but can be very expensive. For example, drugs that now success-

fully treat chronic Hepatitis C can cost \$100,000 or more.

Advancements in medical technology can also contribute to costs. Insurers' rate requests to the Department are on our [Health Insurance Rate Filing](#) page.

The Department also is offering educational forums on health insurance later this year.

Watch for details on Insurance Matters, [Facebook](#) and [Twitter](#).

## SAFE AT HOME: LIST IT BEFORE YOU LOSE IT

While we all hope Mother Nature will be cool, calm and collected this hurricane season take stock now of your property before disaster strikes.

Take photographs, save original sales receipts or appraisal documents and note model and serial numbers and keep

### Homeowners

the list in a safe.

Making an inventory has never been easier because of a free smart phone APP offered by the National Association of Insurance Commissioners.

The APP allows users to capture images, bar

code and serial numbers and store them electronically.

Download the APP at: [myHome scr.APP.book](#)

Remember, making an inventory now can make for a smoother claims process in the aftermath of a disaster when things around us aren't so cool, calm and collected.

## YOU ASKED: THE CID'S SUMMER MAILBAG

### Does my health insurance company have a time limit to pay my claims?

Yes. State law requires health insurers to pay claims promptly or be subject to 15 percent interest penalties. Claims must be paid within 20 days if your provider submits them to the insurer electronically. For claims on paper, the insurer has 60 days to pay before being assessed late penalties.

### If I apply for life insurance, can I change my mind and cancel it?

Yes. There is a so-called "Free-Look Period." State law allows you to opt out within 10 days after you receive the policy. Return it to the

agent or company within that 10 days and the policy will be voided. Every policy contains a notice informing consumers of the "Free-Look Period."

### Is my homeowners insurance company allowed to inspect my property?

Yes. A company has a right to evaluate property to determine if there are factors or conditions that may make the risk unacceptable based on their underwriting guidelines. That review may include an inspection but that is generally a drive-by situation. If it requires entering or accessing the property the company must obtain approval from the owner.