

Connecticut Insurance Department Newsletter:

Insurance Matters

**Volume 1, Issue 4
Summer
150 Years of Consumer Protection**

Helping You With Your Insurance Homework A Message from Commissioner Katharine L. Wade

There are many ways consumers can protect themselves when it comes to insurance and getting the right knowledge in your hands is one way the Department can help.

This issue of “Insurance Matters” looks at the resources that are in place to help protect you.

Each year the Department compares managed care companies in a “Consumer Report Card” to help you determine what company may best suit your health insurance needs.

We also highlight another important resource – “The Consumer Safety Net” – a free booklet that explains how you are protected in the rare event that an insurance company is financially unable to pay its claims. It’s called a guaranty fund and is an association of licensed insurers that will pay valid covered claims in the event of a business failure.

You don’t have to go it alone when settling auto repair claims. The Department’s Auto Arbitration program uses an independent third party to solve disputes.

We hope you enjoy this issue and become better aware of the consumer protection resources available.

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.”

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In 1895 the Connecticut General Assembly placed the oversight of fraternal societies under the supervision of the Insurance Commissioner. In his first report on the societies, Commissioner Frederick A. Betts said regulation was critical to ensure the societies had enough money in reserve to pay members’ benefits:

"Nearly all the Secret or Fraternal Societies have limited their basis of assessment to sums fixed at ages of entry, without accumulating a technical reserve. Their attempts to meet this omission by increasing the number of assessments from year to year is sure to end in disaster. The number will gradually increase to a period when the injustice to the younger members and those solicited to enter, will become so apparent as to be prohibitory."

Making the Grade: How Does Your Insurer Stack Up in CT

In Connecticut we are fortunate to have many choices for health insurance, but sometimes making decisions can be overwhelming with so much information out there.

The Connecticut Insurance Department can help you sort through it all by providing the most accurate and unbiased information available. Our annual [“Consumer Report Card on Health Insurance Carriers in Connecticut”](#) compares Health Maintenance Organizations (HMOs).

The information is compiled based on customer surveys and looks at a variety of quality measures. You can find out how broad an insurer’s network of doctors and specialists is, what the company’s track record is on claims denials and appeals and how each is ranked by the National Committee for Quality Assurance (NCQA).

Other quality measures include screening for colon, breast and cervical cancer, prenatal care and childhood immunization.

We’ve also included an easy-to-use worksheet that lists the criteria that the Department believes are the most critical in determining which health plan may be the best fit.

The [2015 Consumer Report Card](#) is now available online. If you have time, fill out the worksheet. By just doing a bit of homework you can find out if your insurer has made the grade.

Auto Insurance – Road to Repair Doesn't Have to Be Bumpy

Smoothing out dings and dents from an accident should be about restoration – not frustration. The Insurance Department can guide you through the process.

To begin with, you have the choice of where to have your car repaired. An insurer can provide you with a list of shops but ultimately it is your car, your choice. The law says so.

In most cases a repair shop and an insurer will arrive at an agreed upon price to repair your vehicle.

However, there are times when the repair shop will charge more than what the insurer will pay. If they cannot agree upon a price you have options.

You can pay the difference out-of-pocket, file a complaint with the Insurance Department or once you've gone through the CID's complaint process, settle the dispute through the Insurance Department's [Auto Arbitration Program](#).

The Arbitration process involves a hearing and an independent arbitrator.

It is used when liability and coverage are not in dispute but the repair costs are.

The program fee is \$20 and is designed so that you can represent yourself without an attorney.

However, preparation for the hearing is important.

The independent arbitrator will issue a ruling within 15 days after the hearing.

Renter's Insurance – Your Lease On Life: Protecting What matters

Is [renter's insurance](#) right for you? Your landlord's coverage will take care of damage to the building's structure, but in protecting personal property inside your apartment, there are two basic types of renter's insurance to consider.

The Broad form covers personal property against specific incidents such as fire and theft and is the most common type of renter's insurance.

The Comprehensive form offers coverage for a wider range of events and may carry higher premiums. Where you live may come into play as you make a decision. If you live in an area prone to violent weather, such as hurricanes, certain comprehensive policies specifically address storm damage.

Even college students who temporarily live away from home are generally covered under their parents' policy.

On average such dependent's property is covered for up to 10 percent of the parent's policy limit, but it's a good idea to check with your agent.

The Library is Open!

The Consumer's Safety Net

One of the important roles of the Insurance Department is to closely monitor the financial health of the licensed insurance companies that you rely on to protect you and your family. The insurer must have enough cash on hand to pay its claims to you – the customer. It is a rare occurrence when an insurer is unable to meet its financial obligations, but when these business failures occur there is a “safety net” ready to catch the consumer in most cases of company insolvency.

The safety net is the two insurance guaranty associations in Connecticut: the Connecticut Insurance Guaranty Association and the Connecticut Life and Health Insurance Guaranty Association which are made up of insurance companies licensed to do business in our state. The association pays the valid covered claims of policyholders and in some cases may even refund part of a policyholder's premium.

The Insurance Department has put all the information together for you in an easy-to-understand free booklet – [“The Consumer's Safety Net”](#) – which is available online from our [Consumer Resources Library](#).

You Asked: The CID's October Mailbag

What is an In-Network Provider?

In-network providers have agreed to a rate with the health insurer and cannot bill you for more than the rate except for your copayment, deductible or coinsurance amounts. Out-of-network providers have not agreed on a rate with the health insurer. They can bill you for any amount beyond what the health insurer pays. This is called balance billing.

My car was totaled in an accident. When will my insurer give me a payment for it?

Assuming you have Collision Coverage and after your insurer has declared your vehicle a total loss – you will need to sign over your title to your insurer before the payment can be made. Once your insurer has all the documents, a payment is usually made within 30 days. If there is a loan on the vehicle, your insurer will pay your lender up to the amount of the loss.

When should I consider buying term life policy?

Term insurance is generally used when the need for death benefit protection is temporary or if you cannot afford premiums of a permanent life insurance policy.

It is appropriate if you want protection for a specific need that will end at a future date such as a child's college expenses, to repay a loan or to replace income should death occur prior to retirement.

Term insurance typically provides for the largest immediate death benefit amount for each premium dollar.

Questions or Concerns?

Contact CID's Consumer Affairs at:

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(800) 203-3447

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