

# **Connecticut Insurance Department Newsletter:**

## **Insurance Matters**

**Volume 3, Issue 2  
Spring 2017  
152 Years of Consumer Protection**

### **Spring Issue Awash With News You Can Use A Message from Commissioner Katharine L. Wade**

Now that Spring has arrived, flooding can become an issue in some areas due to heavy seasonal rain and snow melt. But not everyone needs federal flood insurance depending on the location of your home. In this issue of “Insurance Matters” we offer information on how to obtain Letter of Map Amendment or LOMA, the process for proving that your home is not in a flood zone.

The Insurance Department helps thousands of health insurance consumers each year obtain the benefits to which they are entitled under their policy, including access to mental health treatment. In this issue we explain your rights under the law and stand ready to help you navigate the process.

If you have a new teen driver in the family we offer some useful information on educating your teen about the risks and insurance implication of unsafe driving.

It can save lives and money.

We’ve also included a “Teen Driving Contract” that can help put you and your new driver on the same page.

### **What To Do When Flood Maps Are Plain Wrong**

The three magic words in real estate? Location. Location. Location. But what if that location changes right out from under you? It can be costly.

In a sense that’s what can happen when the Federal Emergency Management Administration (FEMA) redraws flood maps from time to time. All these years you lived in a house that wasn’t in a flood plain – until now.

If you still have a mortgage your bank will now require you to buy [federal flood insurance](#), which can cost \$800 to \$1,200 or more a year. That's in *addition* to your homeowner's insurance.

Revised maps also can affect homeowners who already have flood insurance but are now required to insure for a higher value because their risk has now been re-rated.

You don't have to accept this new designation if you believe your home was wrongly included into the redrawn maps. There are options for disputing FEMA's findings. The first step is as close as your town hall:

1. Review the flood map for your address. They are usually in the engineering, building, planning, zoning or land use departments of town hall.
2. Ask your lender to review other information that would support your objection such as tax assessor maps, deeds, flood map with property boundary outlined and topographic maps.
3. Request a Letter of Map Amendment (**LOMA**) from FEMA. You will need the services of a licensed land surveyor or engineer to compile the scientific and technical data that FEMA must review to determine whether your home really is in flood plain.

If FEMA grants the **LOMA**, your home is officially removed from the flood plain and the mandatory flood insurance requirement for a mortgage is lifted.

For more on the **LOMA** process visit the CID's [Flood Insurance Page](#).

## **Urgent Matters: Mental Health Coverage**

It is the law in Connecticut that requests to health insurers for mental health and substance abuse services be treated with urgency.

If your policy requires preauthorization, also known as a utilization review, your insurer must give you an answer in 24 hours for mental health and substance abuse services. The same 24-hour standard applies for appeals of denials.

Should that appeal be denied you have the right to have your appeal heard by an independent third party through the Insurance Department's [External Review Program](#)? Urgent care External Reviews must be reviewed by an independent review organization, or IRO, within 24 hours.

There are also steps you can take ahead of time:

Contact your insurance company prior to receiving services to get any needed pre-authorization,

Whenever possible use an in-network provider. Your insurer can help you find one. Not all

insurance plans have out-of-network benefits, which means that if you use an out-of-network provider you would not be covered by the plan and costs could come out of your pocket.

The CID's Consumer Affairs Division can help guide you through this process.

Email us at [insurance@ct.gov](mailto:insurance@ct.gov)

You can also download our free resources:

· [A Consumer's Guide to Appealing Health Insurance Denials](#)

· [Behavioral Health Claims Consumer Toolkit](#)

## **Teen Driving: Rules Are Rules for a Good Reason**

You have a new teen driver in the house. Now what?

While you cannot always be by their side there are a number of things you can do to keep them safe. Teach them that safe driving saves lives – and money.

Set rules, such as establishing curfews and make cell phone use off-limits while driving.

Encourage them to be a good passenger and speak up if someone is driving unsafely.

Research suggests that parents who set rules cut accident risk in half.

Getting good grades in high school also helps. Many insurance companies offer discounts or preferred rates for teens who maintain good grades.

You can also consider raising your policy's deductible and allow your teen to drive the family's oldest, least expensive car.

To make these rules "official," the National Association of Insurance Commissioners (NAIC) offers a [Teen Driving Contract](#). For more teen driving resources, visit the [CID's Teen Driving page](#).

## **The Library is Open!**

### **Our year in review: The CID Dashboard**

What did CID accomplish last year on behalf of consumers? A great deal. But you don't have to read volumes to find out.

We've summarized our activities in our annual [CID Dashboard](#), a snapshot of regulatory activities with easy to understand graphs and charts.

Every division at the CID has different duties but all work toward the common goal of protecting consumers.

The Dashboard helps put it all together for you.

We've also highlighted new reports issued in 2016 and highlighted our updated email address that makes it even easier for consumers to reach us – [insurance@ct.gov](mailto:insurance@ct.gov)

### **You Asked: The CID's Spring 2017 Mailbag**

#### **My life insurer provides dividends. What can I do with it?**

A dividend returns part of the premium back to you. It can be used in a number of ways: 1) taken in cash 2) continue to accumulate and increase the cash value of the policy 3) applied to the premium or 4) buy additional insurance.

#### **How does my health insurance deductible work?**

If your plan has an upfront deductible, you will be responsible for paying for all incurred health care charges up to the amount of your deductible. Under the Affordable Care Act (ACA) certain preventative services may be provided at "no cost," and are exempt from the deductible. Therefore it is important to review your claims Explanation of Benefits (EOB) carefully to determine the applicable member cost shares for each service rendered.

#### **My status will be changing from single to married. How will that affect my insurance?**

Congratulations! Tying the knot is a good reason to revisit all your existing insurance policies to see if you qualify for lower rates. Many insurers consider married couples lower risk.

## ***Questions or Concerns?***

Contact CID's Consumer Affairs at:

[insurance@ct.gov](mailto:insurance@ct.gov)

(860) 297-3900

(800) 203-3447

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