

INSURANCE MATTERS

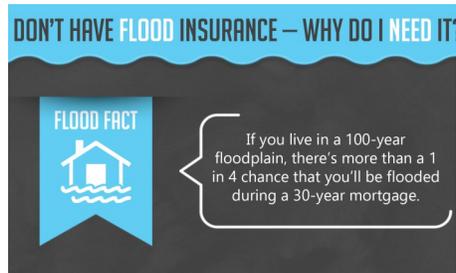
153 Years
Of Consumer Protection

NEVER SAY NEVER WHEN IT COMES TO FLOOD RISKS

What is the most common and costliest disaster in the U.S.? If you knew it was flooding, give yourself a gold star. In fact, 90 percent of all natural disasters involve flooding and in 2016, flooding caused \$16.6 billion damage in the U.S., according to the National Association of Insurance Commissioners (NAIC).

But if you think that it will never happen to you because you don't live in a flood plain, hand back that star because about 25 percent of all flood losses in the country happen *outside* a flood zone. You also are 27 times more likely to have flood damage than a fire over the course of a 30-year mortgage.

These are sobering statistics re-



mindings us to take the threat of flooding seriously since a standard homeowner's insurance policy does not cover flood damage.

Flood insurance is federally backed by the National Flood Insurance Program (NFIP). Some private insurers are now starting to offer it as well. A flood policy covers up to \$250,000 of flood damage to a home's structure. For businesses, a basic flood policy covers up to \$500,000 on a non-residential building. A flood poli-

cy takes effect 30 days after you buy it, so be mindful of the waiting period.

Even a little flooding can do a lot of damage. One inch of water can cause \$27,000 in damage, according to Federal Emergency Management Administration (FEMA), which administers the flood insurance program. Without flood insurance, federal disaster aid is mostly low-interest loans you'll have to pay back.

Discuss with your agent if flood insurance is appropriate for you or contact the Insurance Department at insurance@ct.gov.

You can also access a number of helpful resources on our [Flood Insurance page](#).

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

insurance@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.

ALWAYS BEST TO BE PREPARED FOR THE WORST

For my family, the question of whether to purchase flood insurance was never in doubt. We live next to a flood plain and for 20 years, our property went unscathed. But in March 2010 after three days of record-breaking rain in the Northeast, Connecticut experienced some of the worst flooding in a century. We broke out the sandbags and anxiously watched the water rise and surround our home on three sides. For-

Insurance Commissioner
Katharine L. Wade



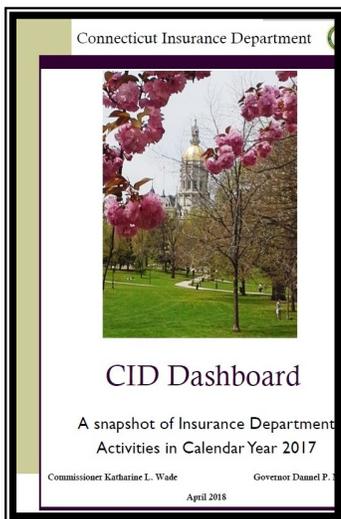
tunately, it receded before any damage could be done. We also had peace of mind knowing that we had flood insurance.

With the start of Atlantic tropical storm season that began June 1, this issue of Insurance Matters reminds all of us that now is a good time to assess your risks for water

damage, flooding and other severe weather related damage. Before disaster strikes, talk with your agent or insurer or feel free to contact the Department to better understand your coverage and consider whether buying a flood policy is appropriate for you.

As the old saying goes, "hope for the best but prepare for the worst." Here's wishing you a safe and happy summer!

The Library Is Open



The CID Dashboard: A Snapshot of 2017

We are pleased to share with you with an easy-to-use overview of our activities of 2017.

We know most people don't have time to sit down and digest voluminous reports, so our annual Dashboard is built for speed. It's a brief compilation of the consumer protection work we do every day in all of our divisions.

Take a minute or two to learn more about our advocacy, education, financial oversight, licensing standards, market conduct, rate and product reviews.

And as always, if you have questions or concerns about your insurance, please contact us at: insurance@ct.gov
Visit our Web site: www.ct.gov/cid

FULLY INSURED VS SELF-FUNDED

Do you have health insurance from a plan provided by your employer? If so, then you are in the majority. About 90 percent of people in Connecticut who have health insurance are covered under an employer plan. Your plan may be fully insured plan or self-funded.

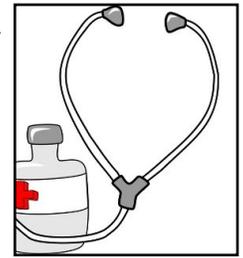
Fully insured plans

Fully insured plans are those that employers buy from licensed insurance companies often through the assistance of licensed brokers. Employers pay a premium and the insurance company agrees to pay the expenses for covered health services under the policy. Fully insured plans issued in Connecticut must comply with all state of Connecticut insurance laws, regulations and mandates. **The Insurance Department has regulatory authority over fully insured plans.**

Self-funded plans

Under a self-funded plan, employers design their benefit plans and are responsible for paying the expenses for all claims. They often

hire a third-party administrator (TPA) to manage the program and process claims. While many TPAs can be insurance companies, funding the plan to pay the claims is the employer's responsibility. **In general, self-funded plans are not subject to state laws but must comply with many federal laws and are regulated by the U.S. Department of Labor.**



Health Care

So if you're not sure, ask your employer if you are covered under a self-funded or fully insured plan. It is important to understand the difference and know what is covered and what it excludes. It is also important to know what your employer's responsibility is to pay for claims if the self-funded plan is discontinued and what potential costs could be passed on to you.

PLEDGE TO DRIVE SAFELY

The end of spring means the end of school. On the road ahead are proms, graduations and vacations. That also means time behind the wheel. Stay safe this spring and don't give in to distractions. Each year, 10 percent of fatal crashes in the U.S. involve at least one distracted driver.

We invite you to take the "[Road Code](#)," and pledge to be a safe driver.



YOU ASKED: THE CID MAILBAG

What if I feel that my health insurer does not have the doctor that I need in network?

Under state law, you can request that an out-of-network provider be granted an "in-network exception." Health insurers must have a process for members to request services from an out-of-network provider when the services are not available through an in-network provider.

I am renting a car for vacation. Should I buy added coverage at the rental counter?

You may be offered collision damage waiver coverage (CDW) for an additional fee, which provides protection if the car is damaged. The renter is then not responsible for some or all repairs. Credit card companies may offer CDW

for cardholders that use their credit card to rent. CDW is supplemental to other insurance the renter has, such as a regular auto insurance policy. Check with your agent or insurer about your options.

Can my driving record affect my premiums when applying for life insurance?

Life insurers routinely check the Department of Motor Vehicles for an applicant's driving record. Speeding tickets, DUI, accidents, or arrests may adversely affect your premium because violations can reflect lifestyle and the risk the company is taking in insuring your life. Life insurers look beyond just health when considering you for life insurance.