

INSURANCE MATTERS

A Newsletter for Delawareans

January Recap 2024



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What Can Consumer Services Do for Me?

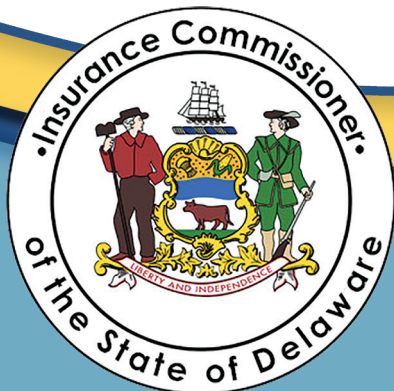
The Delaware Department of Insurance is always here to help. But with as many different services we offer between life, health, fraud, homeowners, and auto insurance we come across the same question many times, what exactly are consumer services?

Consumer Services is the division within the Insurance Commissioner's office that provides assistance to individuals and educates consumers about their rights.

The principal function of Consumer Services is to help Delaware consumers who have questions about insurance. Our division was created to promote and protect the interests of covered persons in Delaware. We can assist consumers in understanding and exercising their rights to appeal adverse decisions. In addition, we will assist uninsured consumers seeking insurance coverage. We will also conduct consumer outreach efforts so that more Delawareans are aware of how the department can provide assistance.

A Few Things Consumer Services Can Do For You

- **Answer inquiries and questions about companies offering insurance in Delaware.**
- **Help individuals understand and pursue their rights to appeal adverse decisions made by an insurance company.**
- **Answer questions about regulatory requirements affecting your coverage and provide information about state and federal mandated benefits.**



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INSURANCE TRENDS 2024

What are our predictions for the upcoming year

With the new year upon us, we thought we'd take the time to look forward to the possibilities that may impact the insurance world as we know it.

Changes like climate change, global issues, and leaps in technology can always play a role in how insurance will be marketed. Whether it be in auto, health, or homeowners we have a few predictions as to how the insurance market will shift in the coming years.

A Look in to Auto Insurance

Every day we're seeing how auto manufacturers are taking steps into autonomous driving. What does this mean for the average consumer? Well with safer cars on the roads, this should lead to premiums beginning to decrease, but this may lead to other cost increases in things like commercial or product liability.

Electric vehicles are becoming more and more popular, and as time goes on may lead to more premium increases from insurance companies as these vehicles are more expensive to repair or replace.

A Look in to Health Insurance

Just as in last year, health insurance premiums are on the rise and looking to continue on their growth into 2024. The cost is being attributed to inflation which is up 4 percent from last year.

Though the premium adjustments could vary by carrier and region, consumers should look into the benefits outlined in each particular plan. They may change from year to year.

A Look in to Homeowners Insurance

As we move further towards the future technology will play a huge leap in how insurers cover homes and assess damage. Using data gathered in real-time, insurers will be able to review historical and current data on homes to better help clients for the best rates.

They can use drones to review damage from above and use AI image mapping to render an accurate layout of the home to better understand the extent of the damage, and even assess the cause of the damage. These technologies are just some of what insurance adjusters can use to give you a much more accurate estimate of damage

Source: <https://www.confie.com/insights/insurance-industry-trends-2024/>



WHAT TO KNOW ABOUT – AUTO INSURANCE –



WHY AUTO PRICES ARE ON THE RISE?

It's a new year and along with every other consumer cost auto insurance premiums are on the rise. These hikes are more than likely to continue in 2024.

So what is causing these insurance premiums to increase? Between the lasting effects of the pandemic, supply chain issues, and the frequency and severity of auto accidents, all factor into the spike in insurance rates. Distracted driving, increased traffic congestion, and a surge in extreme weather events have all played a role in the uptick in accidents and claims from natural disasters. Insurance companies are compelled to raise premiums to offset the higher number of claims and the escalating costs associated with accident settlements.

This lag is one of the reasons auto insurance prices are still increasing even though inflation is easing in general.

"A lot of the big rate increases were kind of delayed from 2020 on to 2024, and then ultimately we're seeing those now," says Sean Scaturro, advice director at USAA (a large insurer).

Allstate, for example, secured auto insurance rate hikes in New York (14.6%), California (30%) and New Jersey (20%) that went into effect last month.

According to a December report from AM Best, personal auto insurance companies had underwriting losses of \$33.1 billion in 2022, and "results continued to slide in the first half of 2023." A major part of the problem is that the average cost per claim has risen to \$11,102 after jumping 11% in a year.

SO HOW IMPORTANT IS IT TO HAVE AUTO INSURANCE?

Auto insurance provides financial protection in the event of accidents. Whether it's a minor fender-bender or a major collision resulting in injuries and property damage, the costs of repairs, medical bills, and legal fees can add up quickly. It is also required by law in Delaware. Without insurance, you could find yourself facing significant financial strain, potentially leading to debt or bankruptcy. Auto insurance acts as a safety net, covering these expenses and sparing you from the burden of hefty out-of-pocket costs.

Moreover, auto insurance offers protection against unforeseen events beyond your control. From natural disasters like hurricanes and floods to incidents of theft and vandalism. There are numerous risks that can damage or destroy your vehicle. Comprehensive auto insurance policies provide coverage for these scenarios, ensuring that you're not left stranded without a vehicle or facing steep repair or replacement costs.

Beyond financial protection, auto insurance also promotes safety and responsible driving behavior. Knowing that you're covered by insurance can give you the confidence to focus on the road and make informed decisions while driving. Additionally, insurance companies often offer incentives and discounts for safe driving habits, such as maintaining a clean driving record or completing defensive driving courses. These incentives not only help reduce insurance premiums but also encourage drivers to prioritize safety behind the wheel.

If you have more questions on how to properly insure your vehicle we're always available to help!

The DOI Corner

Lets Celebrate Safety!

Our Workplace Safety program is thriving with even more applicants celebrating milestones in safety within their workplaces.

So what is the Workplace Safety Program? The Workplace Safety Program is an incentive program offering employers with exposure in Delaware discounts on their worker's compensation insurance premiums in exchange for undergoing safety inspections conducted by independent safety experts under contract to the Insurance Department. We work in tandem with the Delaware Compensation Rating Bureau (DCRB) to promulgate the program. The DCRB determines eligibility and the percentage of the discount; the Insurance Department notifies the insured that they are eligible to participate.

This Program is not associated with OSHA and will be conducted by the Delaware Department of Insurance.

If you are interested in how your business can participate in this program blank applications and frequently asked questions are available on our website.



L&W INSURANCE
35 Years of Safety



TUNNELL COMPANIES
25 Years of Safety



DELAWARE ART MUSEUM
25 Years of Safety

DOI Promotions

Mary Devine

From: Fraud Investigator II

To: Market Conduct Examiner

ASK THE COMMISSIONER

The Importance of Homeowners Insurance

Owning a home is a significant milestone for many Delaware residents, representing stability, security, and a place to build cherished memories. However, along with the joys of home ownership come responsibilities. One of the most critical is protecting your investment with homeowners insurance. While it may seem like an additional expense, the importance of homeowners insurance in Delaware cannot be overstated.

In Delaware, where homeowners face various risks ranging from severe weather to everyday accidents, having adequate insurance coverage is not just advisable—it's necessary. By investing in homeowners insurance, residents can safeguard their homes, finances, and peace of mind. While the cost of insurance premiums may vary depending on factors such as location, property value, and coverage limits, the benefits far outweigh the expenses.

Please contact us at the Delaware Department of Insurance for all of your questions regarding Homeowners Insurance so we can help you find the best protection.



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The consumer comes first.

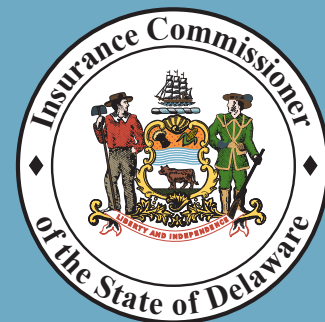
Our office is here to help if you have questions about or problems with your insurance coverage or insurance company.

Questions about insurance or complaints about an insurance company or insurance agent can be made to the Consumer Services Division by phone, by fax, by letter, by email or with an online complaint form.

Phone: 302-674-7300

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consumer@delaware.gov



Our Mission

Protecting Delawareans through regulation and education while providing oversight of the insurance industry to best serve the public.