



Insurance Matters

Commissioner Karen Weldin Stewart, CIR-ML

A Newsletter for Delawareans

Issue 20 • Summer 2015

Our Mission

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

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The Consumer Comes First

Hello, and thank you for reading the Summer 2015 edition of **Insurance Matters**, the Delaware Department of Insurance e-newsletter that provides insurance information about matters affecting Delaware’s families and businesses. It’s August already, which means that school is just around the corner. If you have a child who is a student, you already know about the high cost of auto insurance for young people. High school and college students are often eligible for a “good student discount” if they maintain a certain GPA—usually a 3.0. Contact your insurance company directly and ask about this and any other discounts that may be available to your full-time student.

August is also the month when we usually see the first of the larger hurricanes develop in the Atlantic. So far it has been a slow season for tropical storms but let’s not forget that it only takes one storm like Sandy to cause billions of dollars in damages. I urge you to take some time to assess your property’s risk for flooding, and to consider purchasing a flood insurance policy if your property is in a high risk area. See page two inside for more info.

I would also like to take a moment to recognize the incredible work being done by our *Bureau of Captive & Financial Insurance Products*, which has been nominated along with five other states for *Captive Review* magazine’s 2015 *US Captive Domicile* award. We were proud to be the recipient of the award in 2013 and are excited to be considered for this award again in 2015. Our staff works very hard to be responsive and adaptable in the ever-changing world of captive insurance. Visit captive.delawareinsurance.gov to learn more about the *Bureau of Captive & Financial Insurance Products*.

The staff of the Department of Insurance is here to serve you if you encounter any problems or need assistance understanding your rights as a consumer. Thank you for reading and please share this newsletter with your friends!

Warm Regards,

Karen

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

Questions about your insurance? Call 1-800-282-8611

www.delawareinsurance.gov



An Ounce of Prevention...

A slow hurricane season, so far, doesn't mean it will stay that way

The Atlantic hurricane season officially runs from June 1 through November 30, and now is the time when the bigger storms start to develop. It's also the ideal time to review your need for flood insurance if you do not have it. As a general reminder, consumers need to be aware that a standard homeowner's insurance policy does not provide coverage due to flooding. Typically, there's a 30-day waiting period from date of purchase before a policy goes into effect.

The National Oceanic and Atmospheric Administration (NOAA) has predicted a total of three to six hurricanes for 2015, with two having the potential to be major hurricanes (Category 3-5 storm). This number is a little below average, but it only takes one storm to destroy your home or cause billions of dollars in damage.

Everyone in Delaware should be prepared for natural disasters like hurricanes, even if you don't live near the beaches. Take a few minutes check on the supplies in your family's emergency preparedness kit and make sure that your non-perishable food and water supplies have not expired. Need help putting together an emergency preparedness kit? Visit www.ready.gov to find a check list of items you should include.

If you want to learn more about your property's specific risk for flooding please visit our webpage dedicated to flood insurance, <http://delawareinsurance.gov/departments/consumer/flood.shtml>. The page has a plethora of information related to flood insurance as well as links to county-specific flood maps from DNREC.

Important Items For Your Emergency Kit

Three day supply of food and water

Weather radio (hand crank or battery powered)

Flashlight and extra batteries • Hand-sanitizer

First-aid kit • Cell phone and charger • Cash

Can opener • Local maps • Whistle to signal for help

Moist towelettes and garbage bags for sanitation



Hardy Drane Named New Deputy Insurance Commissioner

Commissioner Karen Weldin Stewart named attorney Hardy Drane as Deputy Commissioner for the Delaware Department of Insurance on July 20, 2015. "He has extensive knowledge of insurance and the law, and his expertise will be invaluable as the Department continues to grow," said Commissioner Stewart.

Drane was a lawyer with a major Wilmington law firm for almost 30 years, where his practice focused

on insurance and environmental law. Following retirement from private practice, Hardy served as a Deputy Attorney General representing the Department of Insurance through July 2014. He has served on the boards of directors of a number of local nonprofit organizations including the Community Legal Aid Society, the Cathedral Choir School of Delaware, and the Rodney Street Tennis and Tutoring Association.

Health Insurance

Businesses Can Continue To Purchase Large Group Health Plans

Commissioner Stewart announced May 21 that Aetna Health, Inc. and Highmark Blue Cross Blue Shield Delaware will offer businesses employing 51 to 100 workers the opportunity to renew their group health insurance policies at “large group” rates for policy plan years beginning on or before October 1, 2016. Commissioner Stewart issued a departmental bulletin earlier this year notifying issuers in the large group market about the opportunity provided by the Affordable Care Act.

“The large group renewal offer is welcome news for Delaware businesses of this size who currently purchase insurance in the large group market,” said

Stewart. “Beginning January 1, 2016, the ACA will redefine these companies as small businesses, who would then have to shop for a plan in the small group market. Because of the accommodation I am announcing today, these companies can continue to purchase health coverage from Aetna and Highmark at large group rates until October 1, 2016. The large group market generally offers lower rates.”

For more information, please visit the DOI’s Bulletins page, or go to <http://tinyurl.com/kp794gt>. See bulletin No. 75, under the “Domestic/Foreign Insurers Bulletins” category.

DMAB’s *Welcome to Medicare* Events Scheduled for September

The Delaware Medicare Assistance Bureau (DMAB) helps Delaware’s Medicare recipients with questions about their Medicare coverage and other related types of insurance like Medigap and Medicare Advantage plans. During the month of September DMAB will host five *Welcome to Medicare* events. These events are intended for people who are turning 65 this year or who recently qualified for Medicare due to a disability. Registration is required. Visit <http://www.delawareinsurance.gov/DMAB/calendar.shtml> or call 1-800-336-9500 to get help or register.

Directions to the event locations can also be found on our website.



NEW CASTLE COUNTY

September 2: Newark Senior Center
10:00 a.m. – 12:00 noon

September 11: Hockessin Library
10:15 a.m. – 12:00 noon

September 17: Rockland Place
(North Wilmington)
10:00 a.m. – 12:00 noon

KENT COUNTY

September 8: Dover Public Library
Meeting Room A
10:00 a.m. – 12:00 noon

SUSSEX COUNTY

September 14: Beebe Health Campus (Rt. 24)
Medical Arts Building,
McCurry Conference Room
12:00 noon – 2:00 p.m.



Don't Wait To Fix Recalls

Airbag Recall Affects 33.8 Million Vehicles: Are You Affected?

From the National Highway Traffic Safety Administration's (NHTSA) website: safercar.gov/rs/takata/

Consumer Information on Takata [airbag manufacturer] National Air Bag Recalls: Takata's expansion of their previous recalls has nearly doubled the potential number of vehicles affected to more than 32 million. On June 17, 2015, NHTSA verified that Vehicle Identification Numbers for vehicles made by the 11 automakers involved were available, and that owners could now search on NHTSA's and manufacturers' VIN look-up tools to determine if their vehicles are affected. On June 22, 2015, NHTSA released a complete list of all makes and models affected by the 44 Takata recalls to-date. NHTSA is coordinating with Takata and automakers

to uphold its commitment to ensure that motorists receive information as soon as it is available. NHTSA will continue to provide real-time updates for all news and information related with this recall.

As this recall progresses, NHTSA will organize and prioritize the replacement of the defective air bag inflators to ensure that defective inflators are replaced with safe ones as quickly as possible, addressing the highest risks first.

Be sure to visit the NHTSA website to see the latest updates which includes the ability to look up more cars by VIN. Auto brands that have been affected by this massive recall include: BMW, Chrysler, Daimler Trucks, Ford, General Motors, Honda, Mazda, Mitsubishi, Nissan, Subaru and Toyota.



Speeding Can Kill

Data from the National Highway Traffic Safety Administration showed that more than one-third of traffic fatalities in Delaware in 2013 were caused by drivers who were speeding.

99

people killed in automobile crashes in Delaware, in 2013.

37

people died as the result of excessive speed.

8

percentage points higher than the national average of 29 percent.

Ask the Commissioner

Question: What is an air ambulance?

Answer: When a ground ambulance can't reach a patient, or get there fast enough, an air ambulance is called. Air ambulances are often equipped with state-of-the-art medical equipment and staffed by paramedics, emergency medical technicians and sometimes doctors and nurses.

Air ambulances most commonly transport patients with traumatic injuries, pregnancy complications, heart attacks, strokes and respiratory diseases. The Association of Air Medical Services estimates that more than 550,000 patients in the U.S. use air ambulances each year. However, using air ambulances is expensive and might not be covered by the patient's health insurance policy.

How much does an air ambulance flight cost?

The average air ambulance trip is 52 miles and costs between \$12,000 to \$25,000 per flight. The high price accounts for the initial aircraft cost which can reach \$6 million as well as medical equipment and maintenance. Also factoring into the price is the cost of round-the-clock availability for specially-qualified medical personnel and pilots to take flight at a moment's notice.

Depending on the severity of the medical condition, the number and type of medical staff on board can vary, further impacting the flight price. If you undergo a medical emergency abroad, the cost of medical evacuation back to the U.S. can reach six figures.

Why is it important to understand air ambulance insurance?

Time is critical in a major medical emergency. Patients are usually not able to negotiate prices or refuse transport while requiring urgent medical care. Refusing service is not an easy choice when trained medical staff has determined an air ambulance is a medical necessity.

Many insurers will pay what they deem reasonable use of an air ambulance; however, sometimes the air ambulance company and

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Contact the Delaware Department of Insurance

841 Silver Lake Blvd.
Dover, DE 19904

www.delawareinsurance.gov
consumer@state.de.us

Consumer Services: 1-800-282-8611

DMAB: 1-800-336-9500

Fraud: 1-800-632-5154

Dover Office Main Line: 302-674-7300



Ask the Commissioner

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the insurer disagree on the cost. Depending on circumstances, the remainder of the bill (which could run in the thousands of dollars) could be your responsibility.

Medicare may pay for air ambulance services if the medical emergency requires immediate and rapid transportation that ground transportation couldn't provide. In addition, Medicare may only cover ambulance services to the nearest medical facility and won't provide coverage for medical care outside the U.S.

What does air ambulance insurance cover?

Speak to your agent to find out what coverage your policy provides. Typically air ambulance insurance will cover the medical care you require during transportation such as oxygen or life support. Sometimes, the flight price will include transportation to and from the aircraft which is known as "bedside to bedside" service. The service also often includes the cost for any family members or other passengers to accompany the patient.

Be aware that you may only be covered if you are within a certain number of miles from an airstrip or airport. Some policies will only provide coverage for a certain type of aircraft based on the type of medical emergency you experience.

What can you do to protect yourself?

The time to think about air ambulance coverage is before you or a family member experience a medical emergency. Protect yourself by finding out what air ambulance coverage you have by reading your health insurance policy or contacting your agent. If you need additional coverage, talk to your insurance company to see if you can purchase extra air ambulance coverage.

If you can't get the coverage you need from your insurer, you may need to look to other companies for coverage.

Information provided by the National Association of Insurance Commissioners



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