

INSURANCE MATTERS

A Newsletter for Delawareans

March 2026

DON'T RELY ON LUCK WHEN IT COMES TO LIFE INSURANCE



The Basics of Life Insurance

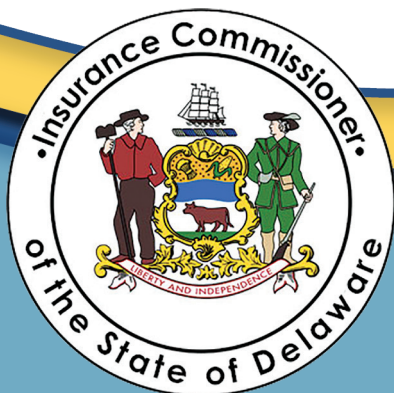
Life insurance is a way of planning to take care of your family and loved ones at the time of your death. It is considered an important part of a financial plan, and can be used to:

- **Replace income** you would have earned for your family after you are gone.
- **Take care of debts** that your family could face or be left with.
- **Pay any estate taxes** your heirs might face.
- **Achieve other financial goals**, including paying for a child's education, donating to charity after your death or even supplementing your retirement income while you are alive.

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Life Insurance BASICS

Tips for purchasing a life insurance policy:

Shop around. Consult with multiple insurance agents or use an internet quote service to get a sense of the premium you can expect to pay. While many will be within the same range, premiums can vary dramatically even among well-known companies. Also, determine what rate class you will be in based on your health and history – preferred, standard or non-standard.

Look for group insurance. See whether life insurance is available from your employer or from organizations or clubs you belong to. Often these group policies are less expensive, in part because your employer may pay some of the premium for you as part of your benefit package.

Live healthy. Quitting smoking, losing weight or exercising regularly may put you in a less expensive rate class for your life insurance.

Ask for an illustration. If you are purchasing a policy where the cash values, death benefits, dividends or premiums may vary, ask the agent or company for an “illustration” of what the company guarantees and what could happen in the future as situations change.

Take a “free look.” New life insurance policies have a “free look” period of 10 days after you receive the actual policy forms, a time during which you can cancel the policy and get a full refund with no penalty.

If it sounds too good to be true... Some companies that offer very, very low premiums may not be financially sound. And companies that offer policies with “no medical exam” or that say “you cannot be turned down” may have very, very high premiums – so high, in some cases, that a few years’ worth of premiums will add up to more than the death benefit the policy will pay out.



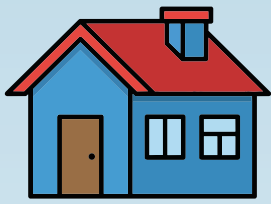
How much life insurance you need depends on your stage in life and will change over the course of your life. Also, you will need to decide who is the beneficiary of your life insurance policy. It can be one person, more than one person, a charity or your estate. You should be as specific as possible in naming beneficiaries in order to avoid confusion and possible conflicts after your death. You should name one or more “contingent” beneficiaries, in case your primary beneficiary dies before you do or cannot be found.

You will need to decide whether you want a term life insurance policy, a permanent life insurance policy, or a combination. Descriptions of the two types are in this guide. Finally, do not sign an application for a life insurance policy until you review it very carefully to make sure it is accurate and complete. Any inaccurate or incomplete answers may be grounds for a company not to pay out the death benefit should you die.

Depending on what your goals are, you and an insurance agent or financial professional should determine how much it would take to:

- **Provide income for your family**, including any parents, grandparents, or others outside your immediate family for whom you are or may eventually be responsible
- **Pay off outstanding debts**, such as a mortgage, auto loans, student loans, etc.
- Set aside money to pay for a **child's education**
- Pay the expensive costs for **funeral and burial**
- Leave **money to charity** organizations
- Pay off **estate taxes**
- Account for **inflation** in future years

After adding up your family's needs should you die, you can subtract any financial resources they will have access to, including their income, savings, investments and any life insurance policies you already have. The difference between your family's need after your death and what their resources would be will show how much life insurance coverage you may require. Some insurance agents suggest that you purchase five to eight times your current income. However, it is better to go through the above exercise to figure out a more accurate amount.



HOME OWNERS INSURANCE TIPS TO CONSIDER

It's important to review your homeowners insurance coverage every year. Upon renewal of your policy, include things like remodeling, new items you've purchased, new security equipment, or other changes that might affect your policy.

TOP CONSIDERATIONS

The price of homeowners insurance depends on several factors:

- **Your home:** The cost to rebuild it, whether it's made of brick or wood, how far it is to the fire department or a water source, its age and condition, and the home's claims history.
- **Individual factors:** Coverage and deductible, length of coverage, insurance-based credit history, claims history, and whether you insure multiple properties or personal properties, such as a car with the same insurer.
- **Other factors:** Smoke detectors; a swimming pool or trampoline; pets; or running a business in your home all factor in.

ALWAYS REMEMBER

- Compare insurance companies. Shop around to find the best price and coverage for you, including discounts.
- Make sure you choose the coverage you need with a deductible you can afford if you experience a loss.

THE DOI CORNER

Employee of the Quarter: Sean Brown

We are proud to recognize Sean Brown as our Employee of the Quarter! Sean began his career in the Captive Bureau, where he worked for 10 years. In 2024, he then transitioned to BERG, where he currently regulates a portfolio of 14 companies across both Property & Casualty (P&C) and Life & Annuity (L&A) sectors.

He has earned the Certified Financial Examiner (CFE) designation through SOFE, as well as the Associate in Captive Insurance (ACI) designation through ICCIE, both of which are required credentials for roles within the BERG and Captive divisions. Sean currently holds the title of Financial Analyst III. Congratulations, Sean, and thank you for everything you do!



Know Your Coverage

Different types of homeowners policies protect your home and personal property in various ways. Insurance companies describe coverage by perils, which refer to the cause of a loss.

- **All perils policies** generally insure against all perils except ones the policy clearly excludes. The most basic policy insures only against the perils named in the policy, such as fire and theft.
- **You can add riders** to cover a risk that a policy doesn't cover to help with additional costs. Examples include damage due to sewer or drain backup, and sump pump overflow.
- **Most homeowners policies don't cover earthquakes or floods**, but you can buy separate policies to cover most of those risks. In coastal areas, windstorm damage may need to be purchased separately or may require separate percentage deductibles. Contact your insurance agent to find out if these policies are available in your area.

ASK THE COMMISSIONER

How Do I Insure a Vacant Building?

If you own a building that will be vacant for a period of time, it's important to understand that a standard property insurance policy may limit or exclude coverage once a property has been unoccupied for 30 to 60 days. That means you could be left without protection if damage occurs while the building is empty.

To properly insure a vacant building, contact your insurance agent or company as soon as you know the property will be unoccupied. They can help you secure a vacant property insurance policy or add a vacancy endorsement to your current policy. These options are designed to address the increased risks that vacant properties face, such as vandalism, theft, fire, or weather-related damage.

Insurance companies may also ask about steps you are taking to protect the property, such as installing security systems, maintaining exterior lighting, keeping the building in good repair, and scheduling regular inspections. Taking these precautions can help protect your property and may help manage insurance costs.

At the Delaware Department of Insurance, we encourage property owners to review their coverage before a building becomes vacant. Planning ahead can help ensure your property stays protected and prevent costly surprises if something goes wrong.



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The consumer comes first.

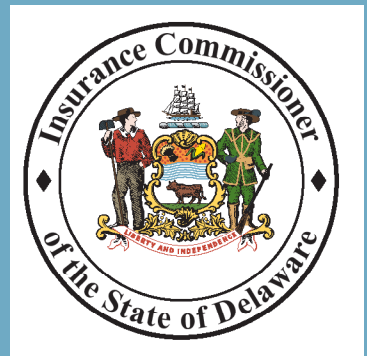
Our office is here to help if you have questions about or problems with your insurance coverage or insurance company.

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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Our Mission

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