

Insurance and Safety Fire Report



Georgia Department of Insurance—John W. Oxendine, Commissioner

OUR HEALTHCARE DEBATE

Our politicians in Washington D.C. are making momentous decisions about your healthcare that will impact your daily lives and set the course for our country for decades to come. Your voice needs to be heard.

As Georgia Insurance Commissioner, I have closely followed the debate about the plans for the government takeover of the U.S. healthcare system proposed by President Obama and the U.S. Congress.

Their proposal would virtually devastate the private healthcare sector in this country along with competition and patient choice, by replacing it with bureaucratic planning and government control. The result of this plan and its one trillion dollar price tag will bring harm to those the president and Congress are ostensibly trying to help.

In a twist of logic that would put a contortionist to shame, the president and other proponents of this big government scheme argue that a public option (or in other words a government-run) plan is necessary to apply competitive pressure to private sector participants. What they fail to acknowledge is that once established this federally subsidized, government-run public plan will squeeze out private sector companies resulting in a healthcare monopoly run by Washington. Any potential initial cost savings will soon give way to a bloated and wasteful federal bureaucracy with the efficiency of the INS and the heart of the IRS. Any remaining attempts to hold down cost will come by restricting patient access and choice. Those hardest hit by this government rationing will be our senior population. The hollow promise made by those in Washington that if you like your current insurance you can keep it will soon be forgotten when the private health insurance market is gone.

There is an artificial sense of urgency in Washington created by politicians who want to use the current recession as an excuse to fundamentally alter the free market economic foundation of our country. Yes, the number of uninsured is too high, but the number seen in the press includes illegal immigrants, the “young and invincible” population who is financially able yet chooses not to purchase insurance, individuals in transition between jobs, and those who are eligible but have chosen not to receive assistance.

Many consider our country’s healthcare system to be the envy of the world. However, there are aspects about the system that need to be fixed. We need a serious debate, and that debate needs to include topics such as tort reform, tax incentives, and individual policy portability. At the end of this debate, individuals need to be in charge of their healthcare and we do not need a government bureaucrat between them and their doctor.

Our politicians in Washington, D.C. need to take a deep breath and listen. Your voice needs to be heard.



Volume 1, Issue 6

August/September 2009

[Get Instant Information
Through Our RSS Feeds](#)



www.gainsurance.org



Inside this issue:

Indictments In Augusta	2
Military Personnel Should Review Options	3
Disaster Cooperation Renewed	4
Changes To Agent Licensing Requirement	5
Questions and Answers	6

OXENDINE REWARDS CITIZEN IN NEWTON COUNTY ARSON CASE

Insurance and Safety Fire Commissioner John W. Oxendine and Bud Ausborn of the Georgia Arson Control Board, Inc., today announced the presentation of a reward check to a citizen of Newton County who provided information in an arson investigation that led to the conviction of four arsonists.

The check, in the amount of \$6,500, was presented to Newton County Fire Chief Mike Satterfield, in a brief ceremony at the Newton County Fire Department. Chief Satterfield will forward the reward to the recipient, who chose to remain anonymous, Commissioner Oxendine said.

The reward was given for information that led to the arrest and conviction of four individuals for an October 2006 fire in Covington that destroyed a home and two automobiles. Damage to the home and automobiles located at 119 Picket Bridge Road was estimated at \$200,000.

The four suspects each received five years in prison and 20 years probation. Investigators determined that the reason for the fire was revenge.

Commissioner Oxendine and the Georgia Arson Control Board, Inc., sponsor the Georgia Arson Control Reward Program and the Georgia Arson Hotline. Rewards of up to \$10,000 are given for information leading to the arrest and conviction of an arsonist. Anyone with information about a suspicious fire is asked to call the hotline at **1-800-282-5804**. Calls are taken 24 hours a day; callers can choose to remain anonymous.

Since its inception in 1979, Georgia Arson Control has approved 510 rewards totaling \$1,459,350.



SEPTEMBER FLOOD LOSS ESTIMATE RISES TO \$500 MILLION

Insurance Commissioner John W. Oxendine said damage from flooding across North Georgia that began on September 18, has now reached an estimated \$500 million in losses, most of that amount uninsured.

“Based on reports from insurance companies and from what I’ve seen personally, the losses are easily that high,” Oxendine said.

The Commissioner said that flooding has caused damage in Carroll, Catoosa, Chattooga, Cherokee, Clayton, Cobb, Crawford, DeKalb, Douglas, Forsyth, Fulton, Gwinnett, Newton, Paulding, Rockdale, Stephens and Walker Counties.



While a standard homeowner's insurance policy covers damage from a variety of perils, it does not cover damage from flooding. A separate policy must be purchased through the National Flood Insurance Program, and can only be purchased if your community participates in the national program. However, some mobile home policies may cover damage caused by floods.

Oxendine reminds Georgians that they can call his Consumer Services Division at 404-656-2070 or, outside the Metro area, 1-800-656-2298, if they have questions about a claim, or if they are experiencing difficulty reaching their insurance company. Phone lines are open from 8 a.m. to 7 p.m., Monday through Friday.

RETURNING MILITARY PERSONNEL SHOULD REVIEW INSURANCE OPTIONS

As thousands of military personnel prepare to return from deployments in Iraq and Afghanistan in the coming months, they should review their insurance coverage to make certain that they and their families stay protected no matter where they are, according to Insurance Commissioner John Oxendine and the National Association of Insurance Commissioners (NAIC).

“With frequent moves and changes in deployment status, members of the armed services face a unique situation when it comes to insurance,” explained Oxendine. “By staying on top of their insurance options, military personnel can make sure that they have the right coverage for any situation, whether they are in Kabul, Afghanistan; Kirkuk, Iraq; or Savannah, Georgia.”

Reflecting the special circumstances military personnel must take into account when shopping for insurance, the NAIC tailored a section of its award-winning consumer education Web site, www.InsureUonline.org, to address these insurance questions. The site provides insurance tips and special considerations on the four basic types of insurance: auto, home, health and life.

Oxendine and the NAIC offer the following sample of tips for those in the armed services to help with selecting their insurance coverage:

Auto Insurance

If you will be deployed for an extended period of time and no one will be driving your vehicle, you may be able to suspend some of your auto insurance coverage to save on premium payments.

If you want to suspend auto coverage, contact your agent and the insurance department for the specific laws and policy limitations applicable in your state. You may want to ask whether the following types of coverage can be suspended while you are deployed: liability, collision, uninsured/underinsured motorist, medical payments and personal injury protection (PIP).

Homeowners Insurance

Many homeowners policies have a “vacancy clause” that may be activated if you are deployed for an extended period of time and your family has moved to a new location. Such policies might not pay claims if your house is vacant for 60 days or more. Consult your insurance company to learn how it defines “vacancy” and whether the claims for a vacant house will be paid.

To avoid future disputes, review your policy with your agent before you leave for military duty.

Health Insurance

Many reservists and National Guard members have health coverage for themselves and their families through an employer-sponsored health plan. Some may wish to continue that coverage, particularly for their dependents, during their active duty period. Talk with your benefits administrator to learn what will happen with your health coverage when called to active duty.

Life Insurance

Anyone who sells life insurance at military installations is required to obtain permission from the Department of Defense to be an authorized solicitor. When dealing with an agent, ask to see permits and licenses to be sure you are dealing with a legitimate agent.



Life Insurance Awareness Month is the Perfect Time to Get Your Insurance Rates in Shape

September is Life Insurance Awareness Month and there's no better time to understand how your lifestyle could affect your insurance policy. Diet and exercise are the best ways of maintaining a healthy lifestyle, but given the current economic downturn, it's becoming even more important to also keep a healthy budget. Fortunately, balancing your budget and staying healthy can go hand-in-hand. Insurance Commissioner John Oxendine provides these tips on how a healthy lifestyle may lower your insurance premiums while it lowers your risk of health concerns.

**How can your health or lifestyle affect your insurance rates?**

- When you apply for individual life or health insurance, you provide answers to detailed questions regarding your health. Your answers provide insurance companies with an idea of your overall health. Based on your answers, insurance companies may ask for additional medical information or tests prior to considering your application for coverage.
- The cost of an individual health or life insurance policy takes into account your age, height, weight, medical history, occupation, driving record, your family health history and other personal habits like smoking.
- Maintaining a healthy weight, practicing good health habits and seeking regular medical care can be important in lowering your insurance costs. Health and lifestyle information gathered by the insurance company is used to determine whether you get coverage, as well as the premium you are charged.

What are some of the habits that can increase premiums?

- Smoking. Smokers pay higher premiums than non-smokers. Even if you only smoke a few cigarettes a day, an insurance company could charge you the same premium as a heavy smoker.
- If you are a smoker or if you use smokeless tobacco, it may be possible for you to lower your insurance premium by quitting. After you have remained "smoke-free" for a time period specified by your insurance company, you may qualify for the lower, non-smoker premium.
- High-risk activities. You will be asked about your hobbies and activities on your application. Insurance companies typically charge higher premiums if you participate in high-risk activities. Some hobbies considered to be high-risk activities include: mountain climbing; horseback or motorcycle riding; flying an airplane or other aviation-related activities (e.g. ultra light flying, hang gliding, or sky diving).
- You might be able to lower your insurance premiums by cutting back on your participation in such high-risk activities. Talk with the insurance company or broker about your options.

Can my lifestyle have an effect on the insurance coverage I have through work?

- If you have health insurance coverage through your employer, your employer pays a substantial portion of the total health insurance premium. The frequency, severity and duration of health insurance claims filed by you and your co-workers are taken into account every year. This assessment is used to determine the insurance rates the health insurance company charges your employer the following year. If your employer's insurance premium goes up, the company can choose to absorb the increase or pass it on to you as an increase in the premium you pay as an employee.

INDUSTRY CORNER

MANDATORY SERFF FILING FOR ALL LIFE AND HEALTH PRODUCT AND RATE FILINGS ON OR AFTER OCTOBER 1, 2009

On May 1, 2009, Georgia mandated Electronic Funds Transfer (EFT) payment for all System for Electronic Rate and Form Filings (SERFF). To further streamline the product and rate filing process, Georgia now requires the submission of all product and rate filings via SERFF. This change will be effective for any life or health product or rate filing submitted on or after October 1, 2009.

The SERFF system is designed to enable companies to send and states to receive, comment on, and approve or reject insurance industry rate and form filings. This will allow for faster product review and more efficiency in the filing process.

To sign up for SERFF and/or EFT, you may contact the National Association of Insurance Commissioner's SERFF Marketing Team at serffmktg@naic.org or 816.783.8787.

Since the May 2009 mandate, the Department has already seen an increased use of SERFF filings and EFT payments in Georgia

Upcoming Changes to Resident Agent License Requirements

120-2-3-.07 Resident Agent License Requirements

- Effective 1/1/2010 – Electronic fingerprinting required of all new resident applicants excluding active licensees adding a license or licensees that apply for reinstatement within 6 months of expiration date. The applicant shall bear the cost for electronic fingerprinting.
- Effective 1/1/2010 – The application process for an agent license (excluding temporary license applicants) will no longer require the prior sponsorship of an insurer.
- The pre-licensing course requirement has been reduced to 20 hours for personal lines applicants (previously 30 hours).
- New exemptions to the property and casualty pre-licensing requirement: Certified Insurance Representative (CISR) and Certified Risk Manager (CRM).

120-2-3-.15 Resident Continuing Education Requirements

- Flood CE – Resident agents licensed in the property line of authority that will be selling through the National Flood Insurance Program (NFIP) must complete a one-time three hour continuing education course related to NFIP. This three hour course will count toward the agent's annual continuing education requirement and can be used to satisfy the annual Ethics requirement.
- The retake provision for continuing education courses has been reduced to two years. (Previously a licensee was required to wait five years to retake a course.)

120-2-3-.19 Exemptions or Reductions in Requirements for Continuing Education

- Licensees that actively participate in a professional insurance association may be eligible for a maximum of three hours of CE credit subject to verification from association. Such verification would be required to be submitted on form GID101E.
- The request for a certificate of authority for an actively licensed agent must be submitted within 15 days from the date the agency contract is executed or the first insurance application is submitted.

Q&A with Commissioner Oxendine

Q: We're expecting an addition to our family soon – what changes should we make to our insurance?

A: A new baby touches every facet of a family's life, including their finances. Consider these steps to help protect your growing family:

Health Insurance

Understand your coverage before the baby arrives. Review coverage options and find out exactly how your health care plan handles the costs of a new baby. Remember to consider things like prenatal vitamins, prenatal and neo-natal screenings and tests, emergency procedures, delivery (C-section and traditional) and pediatric care.

Notify your insurer of your new baby. Make sure you are aware of the deadline and requirements to register your newborn with your health insurance company. Similarly, if you are adopting a child, consult your employer and health insurance provider for the requirements to obtain health insurance coverage in advance.

Evaluate your options. If both parents have employee benefit options, compare the health insurance policies to see which one best fits the needs of your family. Review the co-pay amounts and different options carefully to see exactly what is covered – and what isn't – for both parents and children. Most companies will allow you to make enrollment changes when a baby is added to the family. Check with the benefits administrator at your office about your options.

Make use of tax advantages. Ask if your employer offers a flexible spending account or health savings account (HSA). These plans allow you to set aside pre-tax dollars for medical expenses and child care.

Life Insurance

Plan the contributions of both spouses. Consider covering both spouses with life insurance, even if one is not employed outside the home. In the event of the stay-at-home parent's death, the insurance policy can help the surviving spouse with the financial necessities of the household.

Account for child care costs. In determining the amount of life insurance to purchase, take into account your full child care costs (housing, education, child care, medical needs, etc.), especially for children under five years old or for kids with special needs.

Understand the types of life insurance. Understanding your life insurance choices will help you weigh the costs and benefits of whole life versus term life insurance as part of your overall financial plan.

Whole life insurance policies build cash value and pay a death benefit, but are more expensive. If you can't afford whole life insurance right now but think you may want it in the future, consider term life insurance with a conversion option that will let you change to a whole life policy for a fee when you are ready.

Term life insurance offers death benefit protection for a specified time period. For example, term life insurance may be appropriate during your child-rearing years or while paying off a mortgage. Term life premiums increase as you age. Term life is typically less expensive in your younger years than permanent life insurance, which covers you for your entire life and typically has level premiums.

Keep your policy current. Remember to update your policy to include your children as beneficiaries. If your children are under the age of 18, name a trustee who would administer the benefit of the policy until they are adults.

