

Insurance and Safety Fire Report



Georgia Department of Insurance—John W. Oxendine, Commissioner

OXENDINE FINES UNITED HEALTHCARE \$750,000 FOR VIOLATING GEORGIA'S PROMPT-PAY LAW

Insurance Commissioner John W. Oxendine has signed a consent order directing United Healthcare Insurance Company, and sister companies United Healthcare of Georgia Inc., American Medical Security Life Insurance Company and Golden Rule Insurance Company, to pay a combined fine of \$750,000 for delaying payment on thousands of health claims.

"It is unfortunate that fines must be imposed to encourage compliance," Commissioner Oxendine said. "Consumers and doctors deserve prompt payment. I will continue to aggressively pursue those companies who do not comply with the law."



To ensure managed care plans were complying with Georgia law, Oxendine issued a directive in August 1999 that all healthcare plans licensed in Georgia would be required to submit claims data every quarter, beginning with the third quarter of 1999. Based on data submitted through March 31, 2009 by the fined companies, it was determined that the companies were in violation of O.C.G.A. 33-24-59.5 regarding prompt payment of claims.

"My office is reviewing data from other insurance companies, and we expect more fines in the near future," Oxendine said. "Endless foot-dragging by companies is why we have a prompt-pay law on the books."

The exam revealed that the United Healthcare companies failed to pay claims in accordance with Georgia's prompt pay law, which states that insurers must pay a claim within 15 working days, or explain to the consumer why there is a delay.

In 2000, 2002 and 2005 United Healthcare of Georgia Inc. was fined by Oxendine for similar offenses.

By agreeing with the consent order, United Healthcare waives its right to a hearing.

Consumers having difficulty with their HMO or with any insurer should contact Commissioner Oxendine's Consumer Services Division at **404-656-2070** or **1-800-656-2298** from 8 a.m. to 7 p.m., Monday through Friday, or they may visit the Department's Web site at www.gainsurance.org to obtain a complaint form and instructions for submitting it.



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[Your annual license renewals are due by December 31, 2009.](#)



[You may access the online renewal at www.sircon.com/georgia](http://www.sircon.com/georgia)



Inside this issue:

Fraud Arrest in Savannah	2
October is Fire Prevention Month	3
Disaster Cooperation Renewed	4
Insurers Directed Not To Charge Flood Victims	5
Questions and Answers	6

AUTO INSURANCE FRAUD RING BUSTED IN SAVANNAH

Commissioner Oxendine's Insurance Fraud Investigative Unit has busted a fraud ring operating in Savannah, Ga., that had collected nearly \$95,000 from six insurance companies by staging accidents and filing bogus claims.

The alleged ringleader, Joseph T. Morris Jr., 29, was arrested on October 30, and charged with three counts of insurance fraud and two counts of making false statements.

According to an investigation by Oxendine's office, 16 claims filed by Morris involved vehicles he owned or previously owned and people he was already associated with. Title histories show Morris sold vehicles to other parties who were then involved in "accidents" that he filed claims on.

The companies that were defrauded include AIG/ 21st Century, Allstate, GMAC, Mercury Insurance, SafeCo and Traveler's.

"Fraud like this causes everyone's premiums to go up," Oxendine said. "Thanks to my investigators, we have taken these people off the streets."

Morris was already on federal probation for a 2003 arrest for possession of marijuana with intent to distribute and possession of a firearm during the sale of narcotics.

Insurance fraud is a felony with a penalty of two to 10 years in prison and/or a fine of up to \$10,000.



OXENDINE VISITS SCHOOLS DURING FIRE PREVENTION MONTH

Insurance and Safety Fire Commissioner John W. Oxendine celebrated National Fire Prevention Month by observing students and teachers as they discussed fire safety and conducted fire drills at Cummings Elementary School in Forsyth County and Bruce Elementary School in Macon.

"For the safety of our children, it is very important to conduct regular fire drills and discuss fire safety in the school and home. State law requires schools to conduct these drills monthly. We hope that students will take their experience

home with them and convince their parents to conduct similar drills in the home on a regular basis," Commissioner Oxendine said.

Georgia law requires at least two fire exit drills during the first two weeks of the school year, and one each month thereafter.

For more information on conducting fire drills at school and at home, please contact Commissioner Oxendine's Fire Safety Education Division at (404) 657-0831, or toll-free at 1-800-656-2298.



IS YOUR HOME SAFE? OCTOBER IS FIRE PREVENTION MONTH

Insurance and Safety Fire Commissioner John Oxendine and the National Fire Protection Association (NFPA) reminds Georgians that October is Fire Prevention Month and the theme this year is, “*Stay Fire Smart! Don’t Get Burned!*”

This year, Oxendine and fire personnel around the state will be spreading the word about ways to keep homes fire safe and prevent painful burns. Additionally, fire safety educators will be teaching local residents how to plan and practice escape from a home in case a fire occurs.

The statistics are staggering. Each year roughly 100 people die as a result of home fires and burns in Georgia, and more than 200,000 individuals are seen in the nation’s emergency rooms for burn injuries.

“The most common types of burn injuries result from fire or flame burns, scalds and contact burns,” said Commissioner Oxendine. “Burns are painful and can result in serious scarring and even death. When we take extra caution in our homes to ensure that the curling iron is out of children’s reach or pot handles are turned away from the edge of the stove, such injuries are entirely preventable. Keeping our homes safe from fire and preventing devastating burn injuries is a healthy change we can make happen.”

By following simple safety rules, you can “Stay Fire Smart! Don’t Get Burned.”

- Keep hot foods and liquids away from tables and counter edges so they cannot be pulled or knocked over.
- Have a 3-foot “kid-free” zone around the stove.
- Never hold a child in your arms while preparing hot food or drinking a hot beverage.
- Be careful when using things that get hot such as curling irons, oven, irons, lamps, heaters.
- Install tamper-resistant receptacles to prevent a child from sticking an object in the outlet.
- Never leave a child alone in a room with a lit candle, portable heater, lit fireplace or stove, or where a hot appliance might be in use.
- Wear short or close-fitting sleeves when cooking.
- Set your hot water temperature no higher than 120 degrees.
- Install anti-scald valves on shower heads and faucets.

For more information on planned activities, please contact your local fire department or call Insurance and Safety Fire Commissioner John Oxendine's Fire Safety Education Division at **404-657-0831**.



INSURER DIRECTED NOT TO PENALIZE FLOOD VICTIMS FOR FILING CLAIMS

On October 28, Insurance Commissioner John Oxendine issued a directive to homeowners insurance companies ordering them not to penalize policyholders who've had flood damage.

"A consumer should not be penalized for reporting damage," Oxendine said. "I don't want insurers non-renewing policyholders whose homes were damaged by flooding, especially when claims reporting is mandated by FEMA for a consumer to be eligible for benefits."

Under Georgia law, insurance companies are prohibited from non-renewing homeowners coverage for two or fewer claims within 36 months, provided such claims are not attributable to negligent or intentional acts of the insured. Oxendine said some consumers feared that their insurers might non-renew their policies believing a flooded home is a poor risk.

Consumers who feel their policy has been unfairly non-renewed should immediately send written notice to their insurer contesting the decision. The notice must be received before the effective date of non-renewal. After receipt of the letter, the company must explain in writing why coverage has been denied.



INSURERS INFORMED TO EXERCISE LENIENCY, PAY CLAIMS PROMPTLY

Insurance Commissioner John W. Oxendine has issued a directive ordering companies to pay claims arising from this past weekend's devastating floods in a timely manner, and to "exercise leniency in dealing with affected individuals and businesses that may experience difficulty paying premiums."

"Insurance companies need to be understanding when so many of their clients' lives have been severely disrupted," Oxendine said. "And those affected policyholders need prompt relief in the form of claims payments from their insurers."

The Commissioner pointed out that much of the damage may not be covered by insurance, since standard homeowners policies do not cover floods; only about 9 percent of Georgians in single-family homes carry flood insurance. Those who do have coverage through the National Flood Insurance Program can begin the claim process by calling the agent they bought their policy from, or call 1-800-427-4661 to talk to a NFIP insurance specialist.

Also, citizens with flood-damaged property can call 1-800-621-3362 to register with FEMA Disaster Assistance. You may be eligible for additional FEMA aid.

Vehicles with comprehensive coverage will be covered for flood damage, as will some manufactured homes. For help with these claims, call Commissioner Oxendine's Consumer Services Division at **404-656-2070** or, outside the Metro area, **1-800-656-2298**, with any questions about a policy or claim.



Q&A with Commissioner Oxendine

Q: I've heard that the number of house fires goes up in the winter. Is that true, and if so, what causes these fires?

A: The number of house fires and fatalities does tend to increase during the winter months. Two of the leading causes of house fires are especially common this time of year: home heating (particularly portable heaters), and cooking accidents.

There were four fire fatalities in Georgia last year in fires caused by some type of portable heater. So far in 2009 there have already been three fatalities in fires started by a heater, and more cool weather is on the way. While portable heaters are safe if used properly — please read the manufacturer's instructions carefully -- they can start fires if placed too close to beds or other furniture. Three feet is considered a safe distance. Also, extension cords can be dangerous when used on an electric heater, since the current draw can overheat the cord.

Cooking-related fires have caused eight deaths so far this year. With the holiday season approaching, much more cooking will be going on in kitchens across the state. Many of these fires are caused by a stove that has been accidentally left on. If given enough time, a stove can heat a pan to the point that the metal melts.

That's why home safety experts recommend that you always set a timer when cooking, so you never forget to turn off the burners or oven. If a pan does catch fire, cover it with a lid immediately and turn off the burner. Don't attempt to fight a grease fire with water, as it may make the fire worse. While cooking, consider wearing clothing with tight-fitting sleeves. Loose clothing can contact a burner and ignite.

Finally, your home should have an adequate number of smoke alarms. Most fatal fires start between 11 p.m. and 6 a.m., while the family is asleep. The advance warning of a smoke alarm may mean the difference between life and death. Nine out of ten fire victims are already dead before the fire department is even called, mainly from smoke and toxic gases.



Oxendine: Change Your Clock, Change Your Batteries

Commissioner is reminding all Georgians to change the batteries in their smoke alarms at the same time they change their clocks back to standard time Nov. 1.

In conjunction with the "Change Your Clock, Change Your Battery" fire safety program sponsored by the International Association of Fire Chiefs and the American Burn Association, Oxendine says the annual change from daylight saving time to standard time is a good reminder to make sure your smoke alarm is working as it should.

"Last year in Georgia there were 23 fire fatalities in homes that didn't have smoke alarms, or where the alarms didn't function," Oxendine said. "If you have a smoke alarm, make sure it's in working order. Changing the battery at least once every year and cleaning dust from the device are easy ways to ensure continued protection of your family and your property. Having a working smoke alarm doubles the chances you will survive a fire in your home."

Oxendine also recommended changing batteries in carbon monoxide detectors, flashlights and weather radios, and having an emergency plan in place in case severe weather threatens.

Daylight saving time ends Sunday, Nov. 1 at 2 a.m., when clocks are set back one hour.

