

PRESS RELEASE

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For Immediate Release

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CONSUMERS: RESOLVE TO GET SMART ABOUT INSURANCE IN 2009

In Light of Slow Economy, New Year is Good Time for Quick Review

Concord, New Hampshire, December 31, 2008 - As we move into 2009, a weak economy, rising unemployment and falling home values will have important ramifications for insurance consumers nationwide. Yet, while these situations pose challenges, they also provide opportunities to save on insurance costs, according to the **New Hampshire Insurance Department** and the National Association of Insurance Commissioners (NAIC).

“Many households will enter the new year with a smaller budget and will seek ways to save money,” said **Insurance Commissioner, Roger Sevigny**. “Now is the time for consumers to get smart about their insurance and take advantage of the opportunities to maximize their coverage, minimize their costs and protect themselves financially.”

In addition to the economic downturn, recent legislation across the country propels insurance to the forefront, primarily in discussions surrounding same-sex marriages.

“As same-sex couples try to understand how changes in legislation on same-sex marriages and civil unions affect them, they need to be thinking about their insurance coverage,” **Sevigny** added. “Consumers should ensure they and their loved ones are protected — and a good place to start is with their insurance coverage.”

The **New Hampshire Insurance Department** offers the following tips on insurance-related concerns in the current environment that will carry into the new year.

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1. Falling Home Prices Signal Time to Review Your Insurance Costs

Homeowners looking for ways to save money in 2009 should start with their insurance. In the last year, home prices nationwide declined 16.6 percent¹. With equity dwindling, it makes sense to review your homeowner’s insurance and see if there are any ways to save, such as:

- **Insure your home, not the land:** Homeowners policies do not provide protection for your land, so make sure the value of the land is not included as part of your coverage amount.
- **Make sure you are receiving all the discounts you are entitled to:** Discounts are typically given to people who have more than one policy with the same insurer; have security or safety systems, such as smoke detectors, deadbolts and fire alarms; are 55 or older and retired; or live in homes located in eligible homeowners associations. Some insurers even offer discounts if all residents of the home are nonsmokers.
- **Consider increasing your deductible:** If your deductible is \$250, raising it to \$500 should decrease your premiums. Raise it to \$1,000 and you could save even more. Just two caveats: 1) Make sure you can pay the higher deductible if disaster strikes; and 2) Check with your lender as some home loans have a clause that specifies a maximum property insurance deductible.
- **Make home improvements:** Upgrading your electrical, plumbing and heating systems could improve the safety of your home and, therefore, reduce your premiums.

2. Newly Unemployed Face Maze of Health Insurance Options

With 1.9 million² lost jobs in the first 11 months of 2008, many people are already struggling to maintain health insurance coverage — and those numbers are expected to increase in 2009. A variety of choices exist, but it is important to examine options early, as some expire within weeks of losing your job.

- **Spouse's plan:** A spouse's plan is typically the most affordable option, but you have to act quickly. You should request special enrollment within 30 days of losing coverage from your previous employer's plan.
- **COBRA:** Rights and entitlements under the Consolidated Omnibus Budget Reconciliation Act (COBRA) guarantee access for continued coverage for 18 months if you purchase insurance through a large employer. You have 60 days to elect coverage. COBRA coverage can be expensive because you are required to pay the full premium yourself, but it is also retroactive once you elect it, so consider using those two months to evaluate other health insurance options.
- **Government plans:** Check to see if you are eligible for insurance through a government program, such as Medicaid or Medicare.
- **Private plans:** You can purchase coverage through private providers if you meet certain criteria. A high-deductible major medical policy will cover serious or catastrophic health costs, if you cannot afford a comprehensive plan.

3. New Laws Present Insurance Questions for Same-Sex Couples

To date, 33 states have passed bans on same-sex marriage and some states have forbidden same-sex civil unions. With new legislation and court battles throwing into question the rights of married same-sex couples, it is important to review your insurance policies to guarantee you are protected.

- **Auto insurance:** Consider listing your partner as a secondary driver on your auto insurance policy. Your insurance company might offer a multi-driver discount or a lower rate for a domestic partner.
- **Homeowners insurance:** Make sure both of your names are listed on the deed, mortgage and homeowners policy. Check your policy to ensure that both of your belongings are covered.
- **Health insurance:** Many companies now offer health insurance to domestic partners, including same-sex couples, but you should confirm directly with the health insurance company before enrolling. You might also want to consider creating a healthcare proxy or power of attorney document indicating that you have designated your partner to make medical decisions if you are unable to and to allow for hospital visitation.
- **Life insurance:** Name your partner as the recipient of your life insurance policy and as a beneficiary in your will, as they might not be recognized as a legal heir in states that do not recognize domestic partnerships.

4. Make the Most of Your Health Insurance

Americans seeking ways to economize should first make sure they are fully using their existing health insurance benefits.

- **Exhaust flexible spending dollars set aside in 2008:** Many plans allow you to use pre-tax 2008 flexible spending dollars until March 2009. First aid and preventive care items are often covered, but check with your program administrator on specific products.
- **Book an annual check-up:** Annual physicals can catch health problems before they become serious issues. Many insurance plans cover 100 percent of wellness care for routine exams, immunizations and diagnostic tests.
- **Confirm participating providers:** Verify your doctor is included in your plan at preferred rates before booking appointments.

1. *S&P/Case-Shiller Home Price Index*
2. *Bureau of Labor Statistics, U.S. Department of Labor*

For more information:

- Call the New Hampshire Insurance Department toll-free hotline — 1.800.852.3416 — to contact your local insurance department.
- Visit www.nh.gov/insurance to link to New Hampshire Insurance Department Web site.
- Visit www.InsureUonline.org for additional tips specifically geared toward a variety of life situations.

ABOUT THE NH INSURANCE DEPARTMENT

The first insurance regulator in the US, the NH Insurance Department was created in 1851 and charged with enforcing and administering New Hampshire's insurance laws. The department, an agency of the executive branch of New Hampshire state government, conducts safety and soundness and market conduct examinations of licensees, licenses insurance companies and insurance producers, reviews premium rates and policy forms, provides assistance, information

and referral services to New Hampshire insurance consumers, and administers the filing and collection of New Hampshire's insurance premium tax. For more information, visit the Insurance Department's web site at: www.nh.gov/insurance.

About the NAIC

Headquartered in Kansas City, Mo., the National Association of Insurance Commissioners (NAIC) is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and five U.S. territories. The NAIC's overriding objective is to assist state insurance regulators in protecting consumers and helping maintain the financial stability of the insurance industry by offering financial, actuarial, legal, computer, research, market conduct and economic expertise. Formed in 1871, the NAIC is the oldest association of state officials. For more than 135 years, state-based insurance supervision has served the needs of consumers, industry and the business of insurance at-large by ensuring hands-on, frontline protection for consumers, while providing insurers the uniform platforms and coordinated systems they need to compete effectively in an ever-changing marketplace. For more information, visit www.naic.org/press_home.htm.