



Insurance Insights

newsletter Winter 2013



ODI
Ohio Department
of Insurance



Lt. Governor / Director
Mary Taylor

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Lieutenant Governor/Director Mary Taylor today announced a rule change effective Jan. 1, 2013 lowering the fee Ohio-licensed insurance agents and agencies pay to have their license renewed late or reinstated by the state.

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Taylor Announces Insurance Department Helped Ohioans Save Record \$24.4 Million in 2012

Lieutenant Governor and Insurance Director Mary Taylor announced on February 13, the Ohio Department of Insurance saved or recovered a record \$24.4 million for Ohio consumers in 2012 while assisting more than 190,000 Ohioans mainly through its toll-free hotlines, community outreach and counseling. The total includes \$18.9 million and \$5.5 million saved or recovered, respectively, by the agency's Office of Consumer Affairs and its Ohio Senior Health Insurance Information Program (OSHIIIP).

"The \$24.4 million we helped Ohioans save last year is a testament to the important work we do each and every day," Taylor said. "We continue to improve our processes, create efficiencies and strengthen our outreach efforts in order to better protect consumers."

The Office of Consumer Affairs received 5,503 consumer complaints in 2012. Two-thirds of which dealt with insurance claim denial, claim delay or unsatisfactory claim settlement offers. OSHIIIP, the state's lead Medicare educational and enrollment program, counseled 38,276 Ohioans during Medicare open enrollment.

The following list shows the top types of consumer complaints for Ohio in 2012:

Top Types of Ohio Consumer Complaint Reasons:

1. Denial of Claim – 26.8%
2. Claim Settlement/Payment Delay – 13.6%
3. Claim Settlement/Unsatisfactory Offer – 11.8%
4. Underwriting/Premium Rating – 4.9%
5. Underwriting/Policy Cancellation – 4.4%

Top Types of Ohio Complaints by Coverage:

1. Accident and Health – 40.6%
2. Personal Auto – 21.8%
3. Homeowners and Renters – 17.4%
4. Life and Annuity – 14.4%
5. Other Coverage – 5.8%

This information is based on the submission of closed complaint data to the National Association of Insurance Commissioners (NAIC). Aggregate data can be accessed at www.naic.org.

Insurance Claim Tips:

Know Your Policy: Your policy is a contract between you and your insurance company. Know what's covered, what's excluded and deductible amounts.

File Claims as Soon as Possible: Call your agent or your company's claims hotline right away.

Provide Complete, Correct Information: Incorrect or incomplete information can cause a delay in processing your claim.





Taylor Announces Insurance Department Helped Ohioans Save Record \$24.4 Million in 2012 ... Cont'd.

Ask Questions: If there is a disagreement about the claim settlement, ask the company for the specific language in the policy that is in the question. Find out if the disagreement is because you and the insurance company interpret your policy differently. If this disagreement results in a claim denial, make sure you obtain a written letter explaining the reason for the denial and the specific policy language under which the claim is being denied.

Do not Rush into a Settlement: If the first offer made by an insurance company does not meet your expectations, be prepared to negotiate to get a fair settlement. If you have any questions regarding the fairness of your settlement, seek professional advice.

Health Claims: Ask your physician to provide your insurance company with details about your treatment, medical conditions and prognosis. If you suspect a provider is overcharging, ask the insurance company to audit the bill and verify whether the provider used the proper billing procedure.

Ohio consumers who would like to file a complaint or have insurance questions can call the Department's consumer hotline at 1-800-686-1526 or visit www.insurance.ohio.gov. If your inquiry is Medicare related, call OSHIP at 1-800-686-1578. You can follow the Ohio Department of Insurance and OSHIP on Facebook.

Coshocton Woman Pleads Guilty to Several Charges Related to Million Dollar Healthcare Fraud Scheme

On February 8, Ohio Lieutenant Governor and Insurance Director Mary Taylor announced that Barbara Elise Miller, former owner of Three Rivers Infusion and Pharmacy Specialists in Coshocton, and one of four co-defendants in a more than \$1 million dollar healthcare fraud billing scheme entered guilty pleas to multiple counts. Miller pled guilty to witness tampering, obstruction of an official proceeding, and concealment of records on Thursday in US District Court in Cleveland and will await a sentencing hearing. Miller still faces charges of federal healthcare fraud.

The four were indicted in early 2010 as the result of a joint investigation involving the Ohio Department of Insurance, Ohio Attorney General's Office, US Department of Health and Human Services, and FBI.

"The crimes committed by Ms. Miller resulted in more than \$1 million worth of fraud," Taylor said. "Fortunately, investigators at the Department of Insurance, along with other state and federal agencies, were able to work through this complex case and secure a number of charges."

Along with Miller, the other co-defendants include her husband Dana Campbell, the company's former Vice President of Finance, and former employees Douglas Bolden and James Ireland, of Zanesville. Campbell, Bolden, and Ireland were charged with multiple violations for their involvement.

Ohioans who believe a medical provider is committing insurance fraud by billing for services not rendered should call the Department's Fraud hotline at 1-800-686-1527. Insurance fraud information can be found on the Department's website, www.insurance.ohio.gov.





Taylor Announces \$39 Million Settlement Following Multi-State Exam Initiated by the Ohio Department of Insurance

In November 2012, Lieutenant Governor and Department of Insurance Director Mary Taylor announced a settlement between National Union Fire Insurance Company of Pittsburgh, PA (NUFIC) and several lead state insurance regulators including the Ohio Department of Insurance. The agreement was reached following a multi-state examination (MSE) and requires NUFIC to pay an initial fine of \$39 million to state regulators for a number of failures that compromised consumer protection.

“Because of our initial exam and continued efforts throughout this entire process, we have helped reach a strong settlement for consumers across the country,” Taylor said. “Our review found the company’s practices were severely compromising consumer protection. Some steps have already been taken, but this agreement will ensure the company continues to make much needed reforms moving forward.”

State regulators will split the \$39 million settlement agreed to by NUFIC. Ohio’s share will be at least \$1.3 million, plus an additional \$100,000 fee for serving as a lead state regulator during the MSE.

An initial examination opened by the Ohio Department of Insurance led to discoveries prompting the MSE. Some of the problems identified by Ohio and other lead states regarding accident and health insurance related business include; product development, rate and form filings, and marketing; actuarial procedures and premium allocation; licensing of agents and claims personnel; claims processing; vendor oversight; training of personnel; handling of consumer complaints; use of trusts, record retention, IT issues, among others.

As a result, the settlement with NUFIC also requires change to its practices through a Corrective Action Plan (CAP). Should the terms of the CAP not be met, additional administrative penalties could be levied by state regulators. The company will undergo a two year monitoring period with state regulators as part of the settlement. At the end of the monitoring period, a comprehensive market conduct examination will be conducted.

NUFIC is a Pennsylvania domiciled company and is a part of the AIG group and its direct parent is Chartis, Inc.

Ohio’s Auto and Homeowners Insurance Premiums Among Lowest in the U.S.

Lieutenant Governor and Department of Insurance Director Mary Taylor announced Ohio’s average auto and homeowners insurance premiums are again among the lowest in the nation.

“Ohio’s competitive insurance market continues to provide consumers with choice and lower insurance premiums compared to the rest of the country,” Taylor said. “I encourage all Ohioans to review their insurance coverage regularly to ensure they have the best policy at the best price to meet their needs.”

According to 2010 data, the most recent available from the National Association of Insurance Commissioners (NAIC), Ohioans paid the ninth lowest average auto insurance premium of \$619. The state ranked 10th in 2009. Ohio’s average homeowners insurance premium of \$624 once again ranked sixth nationally. The NAIC concluded the national average premium for auto insurance was \$791 and \$906 for homeowners insurance.





Ohio's Auto and Homeowners Insurance Premiums Among Lowest in the U.S... Cont'd.

The average homeowners insurance premium is a weighted average of all the policy forms. It is determined by dividing the total premium for a state by the number of insured homes.

Ohioans with insurance questions or concerns can call the Department's consumer hotline at 1-800-686-1526 and visit www.insurance.ohio.gov for free information. You can follow the Ohio Department of Insurance on twitter @OHInsurance and on Facebook at www.facebook.com/OhioDepartmentofInsurance.

Taylor Announces Lower License Fees for Insurance Agents and Agencies

Lieutenant Governor and Department of Insurance Director Mary Taylor announced a rule change effective Jan.1, 2013 lowering the fee Ohio-licensed insurance agents and agencies pay to have their license renewed late or reinstated by the state.

"After evaluating the impacts of Ohio's new agent licensing law, we have determined a reduced fee structure is fair and reasonable," Taylor said. "These are positive changes that will help protect and maintain Ohio's competitive insurance market."

The fee Ohio-licensed agents and agencies will pay for renewing their license late decreases from \$100 to \$50. For license reinstatement, the fee drops from \$300 to \$100. There is a 30-day timeframe from the original license expiration date to renew before the license then needs reinstated within a year for \$100.

Agents and agencies that hold major line, limited line and/or title insurance licenses are required to renew their license every two years. All other types of license must be renewed annually. In addition, agents and agencies are required to notify the Department of biographical changes within 30 days of taking place. The changes can be submitted electronically via the Department's website at www.insurance.ohio.gov.

Taylor, also the Director of Ohio's Common Sense Initiative, announced the agency has established a system allowing agents and agencies to print their own licenses and continuing education transcripts.

"As the Director of Ohio's Common Sense Initiative, I am always looking for opportunities to cut government spending and create efficiencies," Taylor added. "That is why I am pleased with the launch of our new and secure web-based system allowing agents and agencies to print their licenses and continuing education transcripts."

A review by the Department found that utilizing web-based technology allowing agents and agencies to print their Ohio insurance licenses or continuing education transcripts from the Department's website will save the state time and resources. The documents can be immediately downloaded online at www.insurance.ohio.gov in a secure PDF format then printed or saved to a computer.





New Year Resolution: Getting Your Insurance Coverage in Order for 2013

“Right now is an ideal time for Ohioans to review their insurance needs for the New Year,” Taylor said. “To ensure you have the right protection for you and your family, be proactive and consider all of your options.”

Taylor offered these tips and reminders to help with your review:

Homeowner’s/Renter’s Insurance

The beginning of the year is a great time to update your home inventory and make sure your homeowner’s or renter’s policy is up-to-date. A new and free smartphone app, myHOME Scr.APP.book, takes some of the headache out of the process. You can download the National Association of Insurance Commissioners (NAIC), in which Ohio is a member, app from iTunes or Google Play. A paper version is available at insurance.ohio.gov. Include as many details as you can and take a photo of each item.

Most insurance policies have separate limits for items like electronics, art, jewelry or sporting equipment. If you have big-ticket items or multiple items of a particular category, you may want to discuss insuring these items on a separate inland marine policy.

Auto Insurance

Make sure your coverage is appropriate for your life situation. Liability coverage is the part of the policy that pays for any injury or damage to persons or property if you cause an accident. If the liability coverage limits are too low, it is possible that you could be sued for any damages above your liability limits.

Also review your deductibles for comprehensive and collision coverage. This is the amount you

will pay if your car is damaged or totaled when a claim is submitted to your insurer. Raising or lowering these deductible amounts can affect your premium. Be clear about Uninsured and Underinsured Motorists Coverage. This coverage is intended to provide financial protection if you were involved in an accident with a driver that has no auto insurance or has liability limits that are lower than yours.

Keep a copy of your insurance card and your insurance agent or company’s number in your car. It is also important to be able to record details if you are involved in an accident. The NAIC smartphone application WreckCheck walks you through the process of gathering information following an accident. You can then email your notes directly to your agent. The free app is available from iTunes or Google Play.

Health Insurance

Many families recently went through the open enrollment process for their health insurance at work or Medicare Open Enrollment, which means you may have new insurance cards and paperwork coming in the mail.

Make sure to check your provider lists to verify visits to your doctor and any specialists are still covered by your policy, as in-network or preferred provider lists change from year to year. Also read through your documents and make note of your copays for in-network and out-of-network providers so you are not surprised later. When you’re planning a winter or spring vacation away from home, check with your insurance carrier to identify urgent care centers and hospitals that accept your insurance coverage near your destination and along the way. Be sure to ask your carrier about applicable co-pays and deductibles if care is needed.





Prepare Homes and Vehicles for the Winter

To best prepare for winter, we recommend Ohioans take the following steps:

Home Safety Tips:

- Clean out gutters and downspouts.
- Look for missing shingles and broken, overhanging tree limbs.
- Inspect the underside of the roof from the attic for signs of leaks.
- Check water pipe insulation to prevent winter freezes.
- Make sure dryer vent is unobstructed.
- Assemble emergency supplies, including non-perishable food, water, flashlights and a battery-powered radio.

Vehicle Safety Tips:

- Have a mechanic check your vehicle to make sure all systems are running properly.
- Make sure tires have adequate tread and air pressure.
- Keep your windshield wiper fluid tank filled and maintain at least a half tank of gasoline.
- Get a windshield scraper and brush for ice and snow removal.
- Carry a snack, water, blankets and a first aid kit.

Claim Tips for Home Damage:

- Call your insurance agent/company as soon as possible.
- Be sure your agent knows how to contact you if you cannot stay in your home.
- Try to protect your property and salvage what you can.
- Closely inspect your property for damage. Note and photograph any damage and losses. This will assist in settling claims.
- If required to seek temporary housing, check your policy for "loss of use" coverage. Many policies cover such expenses up to a stated amount.
- Be sure everything is considered in the claim. Back up claims with written estimates.

If You're in an Accident:

Be safe – Make sure you stay away from moving traffic after an accident. Do not put yourself in a dangerous situation.

Assist others if necessary – Check on passengers in your car and in the other vehicle(s) and see if they need help, but only if it doesn't put you in a dangerous situation. Call emergency personnel if necessary.

Take photos – Try to take as many pictures as possible of the damage and accident scene.

Exchange information – Get the name, address, phone number, date of birth from the other drivers involved in the accident. Also, get the driver's insurance information, including policy number. Do not discuss whose fault the accident was.

Get witness information – Get the contact information of those who may have seen the accident. Your insurance company and/or police may want to speak to them later.

File a police report – If the accident is not serious, you do not need to call the police to have them do a report at the scene. You can move your vehicles to the side of the road, exchange information and then file a report later.

Download the free mobile smartphone insurance app WreckCheck from your carriers' apps marketplace. This will help simplify the information exchange process after an auto accident.

Important safety information is available on the Ohio Committee for Severe Weather Awareness' website at www.weathersafety.ohio.gov.

