



Insurance Insights

newsletter

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ODI
Ohio Department
of Insurance



Lt. Governor / Director
Mary Taylor

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Taylor Names Tracy Snow Chief of New Office of Captive Insurance

Lieutenant Governor and Insurance Director Mary Taylor has named Tracy Snow Chief of the Ohio Department of Insurance's new Office of Captive Insurance.

Governor John Kasich recently signed into law legislation allowing Ohio businesses to form captive insurance companies in the state to provide for their own commercial insurance needs, such as for auto liability and medical malpractice. HB 117 also gives the Department of Insurance regulatory authority over captives.

"Tracy brings great private sector and regulatory oversight experience to this new office in addition to valuable leadership skills," Taylor said. "His more than 12 years of insurance regulatory experience includes overseeing or directly performing risk-focused analysis of nearly 240 insurance companies based in Ohio."

Taylor said Ohio-based businesses interested in forming a captive in Ohio or relocating it from another state will find detailed information on the Department's website and can call the Office of Captive Insurance at 614-728-1753 with questions and for additional information.

Ohio has joined more than 30 states that allow the formation of captives. They have become a popular risk-management tool for businesses seeking greater control over managing their commercial insurance needs.

HB 117 also sets forth certain capital and financial reserve, organizational, general application and fee requirements and gives the Department authority to monitor the relationship/transaction between a parent business and its Ohio formed captive(s) instead of relying exclusively on another state's regulator. These measures will provide the Department with the regulatory tools necessary to monitor and regulate captives operating in Ohio.

A captive is different from a traditional commercial insurance company because it only insures the business of its parent and/or affiliates. Therefore, captives are regulated differently than insurance companies that serve the public. Like traditional insurance companies, however, captives are regulated by the state in which its headquarters are located.



State Officials Provide Parents and Teens Safe Driving and Insurance Tips

National Teen Driving Safety Week was in late October and top State of Ohio officials continue to remind parents and teen drivers the dire importance of establishing clear rules and expectations focused on safety. Car accidents are the leading cause of death for U.S. teens.

Lieutenant Governor Mary Taylor, who is also Director of the Ohio Department of Insurance, and John Born, Director of the Ohio Department of Public Safety, which includes the Ohio State Highway Patrol, said research indicates parents who set rules with their driving teens cut accident risk in half.

"Driving a vehicle is an important part of our daily lives which is why I encourage all Ohioans to use caution and common sense when behind the wheel," Taylor said. "When it comes to our teen drivers, parents and family members should outline their expectations on how to behave behind the wheel with a focus on obeying traffic laws and eliminating distractions."

Mile for mile teens are involved in three times as many fatal crashes as all other drivers, according to the National Highway Traffic Safety Administration. In Ohio, from 2011-2013 teen drivers were involved in 135,473 crashes (and were at fault in 73 percent of these accidents) that resulted in 288 fatalities and 43,785 injuries, according to the Ohio Department of Public Safety.

"Through our education, enforcement and awareness efforts, we are committed to keeping our young drivers safe," Born said. "However, we need everyone across Ohio to take action in their communities as we cannot do it alone."

Inexperience and immaturity combined with speed, not wearing seat belts, distracted driving (such as cell phone use, loud music, and too many passengers), drowsy and night-time driving, and alcohol and drug use can be contributing factors in teen driving accidents.

Taylor urges parents and teens to use the web-based teen driver contract provided by the National Association of Insurance Commissioners (NAIC) at www.insureonline.org/teen_driver_certificate.htm. The contract can help teens stay safer and avoid common mistakes that can also increase insurance rates.

Parents should set aside time with an agent to ensure the family has adequate insurance protection, Taylor said. Most insurance companies consider unmarried drivers under the age of 25 a higher-risk, which can translate into higher auto insurance premiums.

To assist parents, Taylor and Born offered tips to help physically and financially protect driving teens:





State Officials Provide Parents and Teens Safe Driving and Insurance Tips... Cont'd.

- **Lay the Ground Rules:** Establish driving rules for safe driving, such as not speeding, seat belt usage, maximum number of passengers, no mobile phone texting, (now illegal for teens in Ohio as is talking on the phone for those 17 and under), and the amount and time of day driving is permitted. Consider these items as part of your teen driver contract. You can create one online at www.insureuonline.org/teen_driver_certificate.htm. Review Ohio's distracted driving law at www.bmv.ohio.gov/texting_ban.stm.
- **Shop Around:** Ohio has a competitive personal auto insurance market, however, no two insurance companies charge the same rates. Compare costs and coverages between insurers since having a teen driver in the household does affect the family's auto insurance premium. Consider discounts that various insurance companies offer, such as good student discounts. In addition, most insurers offer discounts for having more than one car on a policy or having both your auto and homeowners insurance with the same company.
- **Purchasing a Vehicle for your Teen Driver:** The difference in the cost of auto insurance for a teen driving a more expensive sports car compared to a modestly priced economy car with liability coverage can be significant. If you're shopping for a vehicle for your teen driver, the cost of insurance should be part of the conversation. Discuss options with your insurance agent. They can provide quotes on the cost of insurance for the various vehicles you may be considering to purchase.
- **Consider Revising Deductibles, Coverage:** Whether purchasing an additional car or sharing the family car with your teen driver, you can reduce your auto insurance premium costs by raising the deductibles on physical damage (collision and comprehensive) coverages. Determine if you can afford to absorb a larger portion of your loss in the event of an accident. Also, consider eliminating physical damage coverages on older vehicles — unless a lienholder, such as a bank, requires the coverage to be maintained.

Ohioans with insurance questions can call the Ohio Department of Insurance consumer hotline at 800-686-1526. The Department's auto insurance consumer guide and young drivers guide to auto insurance at www.insurance.ohio.gov are helpful resources. You can follow the Ohio Department of Insurance on Facebook and Twitter. Important preparing your teen(s) for safe driving information is also available at www.insureuonline.org/insureu_special_teendriving.htm.



OSHIIP Traveling State with Medicare Check-Up Events

Lieutenant Governor and Department of Insurance Director Mary Taylor is urging Ohioans on Medicare to utilize the free services provided by the Ohio Senior Health Insurance Information Program (OSHIIP) for assistance navigating Medicare's Oct. 15 to Dec. 7 annual open enrollment period. OSHIIP helped Ohioans with Medicare save a record \$16.4 million last year.

"This is the window for Ohioans to review their options and select Medicare coverage for 2015," Taylor said. "Our Medicare experts can help Ohioans understand the different coverage choices available as they plan for the upcoming year."

OSHIIP, a program of the Ohio Department of Insurance, is Medicare's designated free and impartial educational and enrollment assistance program in the state for those utilizing Medicare, family members and health care professionals. Ohioans can call OSHIIP at 800-686-1578 and attend one of its many statewide Medicare Check-up Day events for help with Medicare.

Taylor emphasized that Ohioans pleased with their current Medicare plan should comparison shop coverage for 2015 because plan costs and benefits can change. People comparing Medicare coverage should ensure a plan's covered drugs include their needed prescriptions, Taylor said. It's also imperative to consider all out-of-pocket expenses before making a decision.

At the Check-up Day events, attendees can learn about recent Medicare changes, such as the new deductibles, co-pay, and coinsurance amounts, the Medicare Advantage and Part D plan options, and about financial assistance programs, including extra help with prescription costs and for Part B premium savings.

Ohioans should watch for high pressure, and predatory sales practices, such as individuals claiming to be Medicare representatives, Taylor said.

The non-profit Pro Seniors and its fraud-fighting Ohio Senior Medicare Patrol (SMP) will be present at the Check-up Day events to encourage people on Medicare to protect their Medicare card, and explain how to detect fraudulent behavior and report issues to the SMP. If you suspect wrongdoing or have been victimized, call the Department's Fraud and Enforcement hotline at 800-686-1527 or the SMP at 800-488-6070.

Ohioans can visit www.medicare.gov to enroll into Medicare coverage. A Check-up Days schedule and other Medicare information is available at www.insurance.ohio.gov. Call the OSHIIP hotline at 800-686-1578 and 800-MEDICARE (800-633-4227) for assistance. Ohioans can also find OSHIIP on Facebook.



Wife Co-Owner in \$140,000 Home Repair Scam Sentenced, Husband Next

The wife in a contracting repair scam run with her husband that cost 35 Ohio victims more than \$140,000 has been sentenced. Carol Richard, co-owner of All Seasons Contracting, based in Kentucky but with an office in Ironton, Ohio, pleaded guilty in late September to one count of attempted engaging in a pattern of corrupt activity. She was sentenced Oct. 15 in the Lawrence County Court of Common Pleas to four years of community control and ordered to pay \$143,426.98 in restitution. Patrick Richard is scheduled to be sentenced in January.

"I appreciate the work of the Attorney General's Office and local law enforcement to ensure those responsible are held accountable for their actions," Lieutenant Governor and Insurance Director Mary Taylor said. "These cases send a strong message to those who might prey on innocent Ohioans or commit fraud that we will take action."

A joint investigation led by the Ohio Attorney General's Office with assistance from the Ohio Department of Insurance and Ironton law enforcement determined that All Seasons Contracting entered into contracts with homeowners in the Ironton area and failed to provide the agreed upon services. The investigation also found All Seasons Contracting submitted a false certificate of completion to an insurance company to support the payment of a homeowner's insurance claim.

Taylor offered these tips to help Ohioans avoid contractor fraud:

- Request a list of reputable contractors from your insurer or the Better Business Bureau.
- Do not permit a contractor to negotiate or settle your insurance claim.
- Pay with check or credit card and do not pay in full or sign a completion certificate until all work is done.

If you believe someone may be committing insurance fraud or professional misconduct, the Department urges people to call its fraud hotline at 800-686-1527. Insurance fraud information is available at www.insurance.ohio.gov.



Ohioans Urged to be Alert for Deer on Roadways

Autumn in Ohio brings wondrous colors but also an annual increased risk of deer related crashes and millions of dollars in related damages, Lieutenant Governor and Department of Insurance Director Mary Taylor said.

Taylor is asking Ohio drivers and motorcyclists to be alert while navigating the state's roadways during this peak season of deer activity. There were eight deaths and 968 injuries were caused by a total of 20,201 deer-vehicle collisions in 2013, according to the Ohio Department of Public Safety

"Limiting distractions and being a focused motorist are tools to help combat the unpredictable tendencies of deer," Taylor said. "From a financial perspective, now is the time to contact your agent to ensure you have adequate insurance in the event you are in an accident. The impact of a deer-vehicle collision can cost thousands of dollars to repair."

Taylor added that drivers should be extra cautious in the morning and early evening.

Ohioans may not be aware that the collision portion of an insurance policy's physical damage coverage does not include deer-vehicle collisions. The other than collision or comprehensive coverage portion pays to repair this type of damage. For consumers who only have a liability policy, any damage to the vehicle would not be covered by insurance.

Taylor asks Ohioans to wear a seat belt as required by state law and drive at a safe, sensible speed, particularly in areas with deer-crossing signs. For more safety tips on avoiding deer, visit the Ohio Department of Public Safety's website at www.publicsafety.ohio.gov.

Ohioans with insurance questions can call the Department's consumer hotline at 1-800-686-1526. Insurance information, including the Department's auto insurance consumer guide, is also available at www.insurance.ohio.gov. You can follow the Ohio Department of Insurance on Facebook and Twitter.





Taylor Advises Ohioans to Review Insurance, Prepare Property and Vehicles for Winter

Taking a few extra steps before winter sets in will help keep you safer and less at risk of incurring damage to your property and vehicle, said Ohio's Lieutenant Governor and Insurance Director Mary Taylor.

Ohio's Winter Safety Awareness Week is Nov. 16-22 and the Ohio Department of Insurance and other partners in the Ohio Committee for Severe Weather Awareness say now is the time to get ready for what could be another rough winter.

"A handful of basic proactive steps to protect your property and home could help avoid potential safety issues and also decrease the chance of having to file an insurance claim," Taylor said. "It's important Ohioans act now to prepare for winter and also talk with their insurance agent to ensure they have adequate financial protection."

To winterize your property, you should: 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 the dryer vent is unobstructed. Assemble emergency supplies, including non-perishable food, water, flashlights and a battery-powered radio.

Getting your vehicle primed for the cold, includes: Have a mechanic check that 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, extra warm attire, blankets and a first aid kit.

If you do encounter a situation when you need to file a property insurance claim:

- Call your insurance agent/company as soon as possible.
- Try to protect your property and salvage what you can.
- Closely inspect your property for damage. Note and photograph any damage and losses.
- If required to seek temporary housing, check your policy for "loss of use" coverage.
- Be sure everything is considered in the claim. Back up claims with written estimates.

If you're in an accident and have to file a claim:

- Make sure you stay away from moving traffic after an accident.
- Check well-being of passengers in your vehicle and other vehicle(s), only if it doesn't put you in danger. Call emergency personnel if necessary.
- Take photos/video of the damage and accident scene.
- Only share names, contact information and vehicle insurance information. Do not share personal information that would lead to identity theft.
- 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.



Taylor Advises Ohioans to Review Insurance, Prepare Property and Vehicles for Winter...Cont'd.

- 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 file a report later.

Ohioans with insurance questions can call the Department's consumer hotline at 800-686-1526. Insurance information, including the Department's auto and homeowner's/renter's insurance consumer guides, are available at www.insurance.ohio.gov. You can follow the Ohio Department of Insurance on Facebook and Twitter. Free mobile smartphone insurance apps myHome Inventory and WreckCheck are available in your carriers' downloadable apps marketplace.

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

Reminder: Medicare Open Enrollment Deadline Dec. 7

Lieutenant Governor and Department of Insurance Director Mary Taylor is reminding Ohioans on Medicare that midnight Dec. 7 is the open enrollment period deadline to select coverage that will begin Jan. 1, 2015.

Taylor said state Medicare experts, through the Department's Ohio Senior Health Insurance Information Program (OSHIIIP), can explain coverage options and help with enrollment for free.

"There are many Medicare coverage choices for Ohioans to meet their health care and prescription drug needs for the coming year," Taylor said. "There can be numerous changes to benefits and plans from one year to the next and now is the time to evaluate those changes and how they impact your coverage."

OSHIIIP has helped Ohioans save \$4.1 million this fall and \$12.3 million in 2014, mostly by helping people understand coverage most suitable for their needs. Last year, more than 160,000 Ohioans saved a program record \$16.4 million utilizing OSHIIIP's services.

Taylor encourages friends and families together during Thanksgiving to visit www.medicare.gov to review plans and enroll into Medicare coverage. Ohioans can call OSHIIIP at 800-686-1578 and 800-MEDICARE (800-633-4227) with questions about Medicare.



Evaluate Life Insurance to Protect Loved Ones

Life insurance might not be the most pleasant topic to address but it is undoubtedly an important one that should not be ignored. Governor John R. Kasich and Lt. Governor and Department of Insurance Director Mary Taylor recently brought the topic to the forefront, having declared September as Life Insurance Awareness Month in Ohio through a resolution.

A recent national study found that one in four Americans say they need more life insurance, but only 10 percent are very likely to purchase a policy within the next year. The troubling part is that many believe they would feel the financial impact from the loss of a primary wage earner within six months.

Kasich and Taylor are stressing to Ohioans the importance of taking steps to financially protect their loved ones if an unfortunate life event were to occur.

“Life insurance should be a central piece of a family’s financial planning,” Taylor said. “A good starting point is to determine how much life insurance is needed, for how long and what you can afford to pay.”

In the event of a tragedy, life insurance proceeds can replace a deceased person’s income, pay the mortgage and other loans, and help pay college tuition. Life insurance serves as a monetary support system typically for those designated as beneficiaries. Many employers provide life insurance and it can also be purchased through an insurance agent.

The Ohio Department of Insurance offers these important life-insurance life-stage considerations:

Young Singles: While buying a policy early in your life will provide lower costs and potentially guarantee your insurability, some believe the need for life insurance at a young age typically without dependents may not be necessary. You should consider your options and make a choice based on your finances, health and other circumstances.

Young Families: Having children is often the catalyst for buying life insurance. When securing coverage, consider covering both spouses – even if one stays at home and is not employed. In the event of the stay-at-home parent’s death, the surviving spouse will need to shoulder all the responsibilities of the household.

Established Families: Remember to periodically review and update your coverage to reflect changes in your financial situation and family composition. One strategy to keep costs down for a growing family may be to take a look at term life insurance, which offers financial protection for a specified time period.

Seniors and Baby Boomers: Now is a good time to re-evaluate your life insurance to determine whether you still need as much coverage when you had a younger family and larger mortgage principle. If you are covered through your job and are planning to retire soon, inquire about converting it to an individual policy.

Single Parents: If you and your ex-spouse have life insurance policies, adjust the beneficiaries to reflect the changes you both want after



Evaluate Life Insurance to Protect Loved Ones..Cont’d.

the divorce is final. Review your policy, will and retirement accounts to make sure they all indicate the correct beneficiaries. If your spouse will be paying for child support, consider requiring that he/she purchase a policy covering the term of the payment and be named as the policy owner and beneficiary.

Military: Check your policy renewal date and payment terms with your agent to ensure your coverage will remain in effect during deployment. If necessary, you may be able to renew a policy early or have your premiums paid by automated bank draft. Some insurance companies might also allow you to suspend certain coverage while you are deployed.

Raising Grandchildren: Leaving a life insurance benefit directly to a minor child is generally not a good idea. Make sure the policy names a contingent beneficiary or a trustee who will act as a beneficiary on behalf of the child. Otherwise the life insurance benefit may not be accessible to the child until the issue is processed through court. You may want to set up a family trust with your selected trustee in charge.

Ohioans with insurance questions can call the Department’s consumer hotline at 800-686-1526. A life insurance consumer guide and a listing of licensed agents are available at www.insurance.ohio.gov. You can follow the Department on Facebook and Twitter (@OHInsurance).



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For assistance or to ask questions about insurance,
please call the Ohio Department of Insurance consumer hotlines:

OSHIIP Hotline 800-686-1578
Consumer Hotline 800-686-1526
Fraud Hotline 800-686-1527

TDD/TTY phone users, please call Ohio Relay Service 711

For many Department services and
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