



# Insurance **Insights** newsletter

Fall 2012



## ODI

Ohio Department  
of Insurance



Lt. Governor / Director  
**Mary Taylor**

## Check out these useful tips:

- **NAIC Smartphone Apps**
- **Updated Consumer Guides**
- **Deer on Roadways**

### 1 **OSHIP Visiting Every Ohio County for Medicare Check-Up Events, Helping Save Consumers Thousands of Dollars**

Every year, the Department's Ohio Senior Health Insurance Information Program (OSHIP) visits counties across the state to hold free "Medicare Check-Up" events.

### 2 **September Designated Life Insurance Awareness Month by Lt. Gov. Taylor and Gov. Kasich**

Governor Kasich and Lt. Governor and Insurance Director Mary Taylor designated September "Life Insurance Awareness Month" through a resolution to stress to Ohioans the importance of achieving a secure financial future for their...

### 3 **Fraud and Enforcement Work with FBI and Local Police to Combat Fraudulent Behavior Across Ohio**

Protecting consumers by fighting fraud is a top priority at the Ohio Department of Insurance. In September, the Fraud and Enforcement Division of the Department partnered...

### 4 **Ohio's Auto and Homeowners Rates Among Lowest in the Country**

Lt. Governor and Department of Insurance Director Mary Taylor announced Ohio's 2011 average auto and homeowners insurance rates were again among the most competitive in the United States. The Department...

Ohio Department of Insurance | [www.insurance.ohio.gov](http://www.insurance.ohio.gov) |



50 West Town St - Third Floor - Columbus, Ohio 43215



## ***A Message from Lt. Governor / Director, Mary Taylor***

At the Ohio Department of Insurance, we understand how important insurance is to you and your family. That is why we are so focused on providing consumer protection while promoting a stable and competitive environment for insurers. To help educate Ohioans, we have created this newsletter as a resource for insurance news and tips.

Recently, Governor Kasich and I designated September “Life Insurance Awareness Month” to stress the importance of achieving a secure financial future for Ohio families.

The Department’s Ohio Senior Health Insurance Information Program (OSHIIP) has also been busy visiting each county in Ohio, holding Medicare Check-Up Events and providing free and objective information about Medicare options during Medicare Open Enrollment. In 2011, OSHIIP helped Ohioans save more than \$750,000 and this year they have already helped consumers save over \$1 million. These presentations and counseling sessions will continue until December 4, Medicare Open Enrollment continues until December 7.

The Department’s Fraud and Enforcement Division has also been working to protect consumers by working with various law enforcement agencies. Together they have secured convictions in recent months of individuals who had committed fraud and deceived consumers.

We urge consumers and agents to use this newsletter as a resource and to contact us with any questions, comments or concerns. You can call our consumer hotline at 800-686-1526, OSHIIP at 800-686-1578, the fraud hotline at 800-686-1527, or visit [www.insurance.ohio.gov](http://www.insurance.ohio.gov) for more information.





## ***OSHIIP Visiting Every Ohio County for Medicare Check-Up Events, Helping Save Consumers Thousands of Dollars***

Every year, the Department's Ohio Senior Health Insurance Information Program (OSHIIP) visits counties across the state to hold free "Medicare Check-Up" events. This year, Lt. Gov. Mary Taylor announced that OSHIIP would be visiting every county in Ohio in order to assist as many consumers as possible. These events coincide with Medicare's Open Enrollment period which runs from Oct. 15 to Dec. 7.

The first Check-Up events began in late August and will run until Dec. 4. These sessions are intended to help consumers review changes to Medicare, enroll in the program and answer any lingering questions about their best coverage option for 2013.

"Determining the appropriate Medicare coverage should be done with the help of a family member or a knowledgeable and trusted advisor such as a representative from our OSHIIP program," Taylor said. "This should be a careful, deliberate process so you secure a plan that best meets your healthcare needs and budget."

In addition to these volunteer and staff run events, consumers can call OSHIIP at 1-800-686-1578 to get their questions answered. The OSHIIP hotline is open Monday-Friday from 7:30am to 5:00pm. The Department has also released a special Medicare Check-Up and Open Enrollment Toolkit that includes a list of plans, financial assistance information, and an event schedule which is available at [www.insurance.ohio.gov](http://www.insurance.ohio.gov).





## *September Designated Life Insurance Awareness Month by Lt. Gov. Taylor and Gov. Kasich*

Governor Kasich and Lt. Governor and Insurance Director Mary Taylor designated September “Life Insurance Awareness Month” through a resolution to stress to Ohioans the importance of achieving a secure financial future for their families.

In the unfortunate situation when a loved one dies, life insurance serves as a monetary support system, typically for those who are designated as beneficiaries such as children or other family members.

There are three basic types of life insurance: term life, whole life and universal life. Term life is generally less expensive than other life insurance products and covers a certain time period or to a specific age. Whole life is lifetime coverage at a premium that does not increase with your age after you buy it. Universal life generally has a premium amount and death benefit that are flexible, meaning they can be changed after your purchase. For more specific information about life insurance, visit our website to view and order our Guide to Life Insurance & Annuity Contracts.

Below are several life-insurance life-stage considerations.

**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:** 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 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.





## ***Fraud and Enforcement Work with FBI and Local Police to Combat Fraudulent Behavior Across Ohio***

Protecting consumers by fighting fraud is a top priority at the Ohio Department of Insurance. In September, the Fraud and Enforcement Division of the Department partnered with law enforcement agents across Ohio to bring two insurance agents to justice.

Former Ohio insurance agent Cecil Young, of Cincinnati, Ohio, was sentenced to four years on community control with an 18-month suspended jail term on Sept. 21 in the Hamilton County Court of Common Pleas. Young must also complete 400 hours of community service as part of his sentencing for stealing more than \$39,000 from nine Hamilton County area clients.

A Department investigation revealed that Young forged his clients' signatures and made loan requests against their respective life insurance policies during 2009 and 2010. The funds from these requests were then diverted to Young for his personal use. His victims confirmed they had not requested loans against their policies. All of Young's victims have been made whole by their respective insurance companies, Illinois Mutual Life Insurance Company and Motorists Life Insurance Company. The Department revoked Young's Ohio insurance license in December 2011.

In northeastern Ohio, the Department worked with the Federal Bureau of Investigation's (FBI) Canton Office and the U.S. Attorney's Office to bring Steven P. Connolly to justice. Connolly is a former title insurance agent of Copley, Ohio who was sentenced to five years in prison and ordered to pay more than \$1 million in restitution after pleading guilty to crimes related to a mortgage fraud scheme. Connolly pled guilty to two counts of bank fraud, three counts of wire fraud and one count of bankruptcy fraud.

The scheme involved four properties in the Akron and Cleveland areas. Connolly diverted more than \$1 million for his own personal use while working as a title agent licensed by the State of Ohio and the owner of Trident Title and Secura Title. In addition, he misrepresented his earned income during bankruptcy proceedings.

Ohioans who suspect insurance fraud or agent misconduct should call the Department's fraud hotline, 1-800-686-1527. Information is also available on the Department's website, [www.insurance.ohio.gov](http://www.insurance.ohio.gov).





## ***Ohio's Auto and Homeowners Rates Among Lowest in the Country***

Lieutenant Governor and Department of Insurance Director Mary Taylor announced Ohio's 2011 average auto and homeowners insurance rates were again among the most competitive in the United States. The Department annually compiles the state's average auto and homeowners insurance rates.

"We are fortunate to have a robust insurance marketplace that produces competitive rates for consumers," Taylor said. "To the benefit of Ohioans we are removing burdensome and duplicative regulatory requirements, fostering innovative business growth and attracting new companies to create more jobs and maintain rate stability."

Ohio has the 10th lowest auto insurance and 6th lowest homeowners insurance average premiums in the country (dropping from 11th and 9th respectively), according to 2008-2009 data, the most recent figures from the National Association of Insurance Commissioners (NAIC).

Based on 2011 activity, the average rate change for the state's top 10 private passenger auto insurance groups increased 1.2 percent, the lowest uptick since 2008. The average rate change for the state's top 10 homeowners insurance groups was the lowest since 2007, increasing 6.2 percent. The top 10 insurance groups represent approximately 70 percent of the market.

The historical rate change information is an average. Individual insurance consumers may have experienced rate changes that differ from the average. The Department makes sure rating plans comply with Ohio insurance law and the rates are actuarially sound.

Changes in auto insurance rates are associated with medical costs, weather-related claims, the number of cars on Ohio roads and repairs costs. Changes in homeowners rates can be attributed to weather-related claims, and building and material costs.





### **myHome Inventory App**

Ohio insurance consumers can now more easily and accurately maintain inventory of their possessions by downloading the free myHome Inventory smartphone app from the NAIC.

The average claim payment for damage to or loss of home contents in Ohio was \$6,417 in 2010. Recent surveys by the NAIC have revealed that half of all Americans do not have a home inventory.

By having a detailed list complete with pictures, descriptions, bar codes and serial numbers, consumers can ensure that all personal items will be accounted for in the event of a loss. This new smartphone app makes the process of documenting your possessions quick and effective.

### **Updated Consumer Guides**

At the Department, we have updated our Consumer Guides to Insurance with the most current information regarding insurance in the state of Ohio. There are guides regarding the following topics.

- Auto
- Homeowners
- Medicare
- Health
- Long Term Care
- Life & Annuities

Consumers can access these guides online at [www.insurance.ohio.gov](http://www.insurance.ohio.gov). Hard copies of these guides can also be ordered from our website.

In addition to these updated Consumer Guides, there are dozens of new Consumer Tip Sheets that are shorter than the guides and packed with helpful tips.

### **WreckCheck App**

Ohio drivers can now quickly and safely exchange information after an auto accident by downloading the free WreckCheck smartphone app from the NAIC.

Many consumers are unclear about what information to share at a crash site, such as what personal information to exchange with the other driver.

This new app helps to avoid identify theft if a consumers shares too much information with another driver. It also outlines what to do immediately after an auto accident and helps users create their own report. The app makes it easy to capture photos and document the necessary information to file an insurance claim, and lets users email a completed report directly to themselves and their insurance agents.

### **Be Cautious of Deer on Roadways**

Fall is the peak season for deer-related crashes which means there is a real possibility of striking a deer on an Ohio roadway.

When a deer strikes a vehicle, it can cause thousands of dollars to repair, depending on the size of the animal, how fast the vehicle was moving and the type of vehicle. Consumers should work with their agent to determine their proper levels of coverage.

Some Ohioans may not be aware that the collision portion of an insurance policy's physical damage coverage does not include deer-vehicle collisions. It's actually the "other than collision" or "comprehensive coverage" portion that 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.

