



# Connecticut Department of Insurance

*Regulating Connecticut's Insurance Industry for YOU.*

When you deploy,  
are you covered?

*What Connecticut Residents  
in the Military Should Know  
about Insurance*

Members of the armed services can be deployed on short notice, leaving little time to address their personal or business affairs. Insurance coverage, in particular, is often affected when someone moves out of state or spends an extended period of time away from home.

This publication provides an overview of insurance issues to assist service members as they prepare for deployment.

Consumer Affairs Division  
860-297-3900 / 800-203-3447  
[www.ct.gov/cid](http://www.ct.gov/cid)

## Overview

Before you purchase any insurance policy, it's a good idea to ask the agent or broker specific questions about how the company will handle issues related to the deployment of their policyholders who are in the military. Each company's guidelines can vary. By shopping around, you may be able to find an insurer who can accommodate your specialized needs.

In particular, it might be difficult to handle routine business like paying premiums on time or renewing policies when you're deployed. Ask your agent before you leave when a policy is due for renewal and how to make arrangements to pay your premiums. You may be able to renew a policy early or have your premiums paid automatically from your bank account. Some insurance companies might also allow you to suspend certain coverages while you're deployed. Most insurance companies consider payment history and continuity of coverage to determine eligibility and rates. If your insurance lapses or expires while you're away, you could come home to find insurance companies unwilling to insure you or only willing to do so at a higher rate.

If you're thinking about buying insurance before you're deployed, consider your needs carefully. Be especially cautious if you or someone in your family is approached about buying health or life insurance products. These types of insurance often involve emotional issues. You might also be approached by agents who are former service members. This can create the impression that they represent the military instead of a particular insurance company. No matter who tries to sell you a policy, it's a good idea to shop around and get multiple quotes.

Make sure the agent or insurance company you're doing business with is licensed in Connecticut. Selling insurance without a license is against the law in Connecticut. You can learn whether an agent or company is licensed by visiting [http://ct-clic.com/Content/License\\_Verification.asp](http://ct-clic.com/Content/License_Verification.asp).

Insurance law varies by state. This publication only applies to policies and certificates issued in Connecticut. If you purchased a policy in another state, the laws of the state where the policy was issued govern the policy. You should contact the department of insurance of the state where your policy was issued for any coverage questions.

Following are common issues that members of the military may encounter before and during their deployments. The list is not exhaustive. If you have questions that are not answered here, contact your agent or company, or call the Connecticut Insurance Department's *Consumer Affairs Division* at 800-203-3447.

## **Auto Insurance**

Suspending your policy. If you will be deployed for an extended period of time and no one will be driving your vehicle while you're away, you may want to suspend some or all of your coverage to save money on premiums. An endorsement must be attached to your policy to suspend any coverage. Not all insurance companies will allow you to suspend coverages, however. If other people are covered on your policy and suspending the policy is not an option, you could consider removing yourself from the policy while you're away to possibly reduce your premium.

### **Liability coverage**

Connecticut law requires all drivers in the state to have a minimum amount of liability coverage. This coverage protects others in the event that you or someone driving your car causes an accident. To legally suspend liability coverage, you must demonstrate to your company that your vehicle will be stored in a place where no one can access it. Many military bases provide secure vehicle storage facilities for service members. Talk to your insurance company or agent to learn whether it's possible for you to suspend coverage.

### **Collision (comprehensive) and other than collision coverage**

This coverage protects your vehicle from accidents caused by other people and from damages resulting from other covered losses, such as hail, theft, or fire. Collision and comprehensive coverage also may pay for damages your vehicle sustains while in storage. If you cancel or suspend coverage and your car is stolen or damaged in storage, you may have to pay the full cost of repair or replacement yourself. Therefore, you should consider carefully whether to cancel these coverages. If you still owe money on your car, your lender will usually require that you keep them. If you cancel your collision or comprehensive coverage on a car you still owe money on, the insurance company will notify your lender. The lender will likely buy single-interest automobile physical damage coverage and add the cost to your loan payment. This type of coverage is expensive and protects only the lender.

### **Other coverage**

You also may have other coverages, such as "uninsured/underinsured motorist," "medical payments," and "personal injury protection" coverage. These coverages are optional and provide additional protection for you and others if you're involved in an accident. If no one will be using your car while you're deployed, you may be able to suspend these coverages. Ask your insurance agent or company.

## **Policy lapses or cancellations**

It's important that you make arrangements to have your insurance premiums paid on time while you're deployed. If your insurance company cancels your policy for failure to pay your premium on time – or for any other legal reason – you'll likely have trouble finding a new insurance policy or finding a policy with the same rate. Many companies will decline to insure drivers who have lapses in their insurance coverage. Companies could also charge higher premiums for lapses longer than 30 days.

## **Homeowners Insurance**

Vacating your home. Many homeowners policies have a "vacancy clause" that can be triggered if you're gone for an extended period. If a vacancy clause is triggered and you suffer a loss, some or all of your coverage may not apply. The definition of vacancy can vary from one policy to another. Some policies, for example, might not pay claims if your house is unoccupied for 60 days or more. However, many companies offer an endorsement that will provide coverage for a house that is unoccupied for an extended period. Talk with your insurance agent or company to learn how the company defines vacancy and whether the company will pay claims if a house is considered vacant.

### **Review your coverage**

It's a good idea to review your homeowners policy with your agent before you leave to avoid a dispute or disagreement in the future. Make sure your policy limits are sufficient to cover your home and your personal property at current costs. You may want to increase your coverage if you've made additions or improvements to your property.

### **Personal property coverage**

The military generally will not pay to repair or replace property that is damaged or lost in military housing or in a war zone. Homeowners insurance typically covers personal property that you take with you while traveling, but most policies exclude coverage for damage caused directly or indirectly from war. Ask your agent if personal items you take on your deployment will be covered if they're lost, stolen, or damaged. Also, make sure you understand whether you have actual cash value coverage or replacement cost coverage for your property. Replacement cost coverage will pay to replace your property at the current cost without any deductions taken for depreciation or wear and tear. If your policy only pays the actual cash value, you may be able to buy replacement cost coverage for additional premium.

## **Renters Insurance**

Personal property coverage. If you have renters insurance for a home or apartment, your policy will typically pay to repair or replace personal property you take with you while traveling. However, most policies exclude coverage for damage caused directly or indirectly from war. Ask your agent or company whether your renters policy will pay to repair or replace any property you take with you during your deployment. Also, make sure you understand whether you have actual cash value or replacement cost coverage.

## **Health Care Coverage**

Military and employer health plans. Active duty personnel, reservists, and National Guard members are given military health coverage after 30 consecutive days of active duty service. Many reservists and National Guard members, however, have health coverage for themselves and their families through an employer-sponsored health plan and want to continue the coverage while on active duty. Talk with your benefits administrator at work to learn what will happen with your health coverage if you are called to active duty. While employers are not required to pay the cost of health coverage for you and your dependents while you're on active duty, some employers may choose to continue benefits at their current level.

If your employer does not continue paying the cost of your health coverage, federal law entitles you to continue the coverage at your own cost if you choose. The Uniformed Services Employment and Reemployment Rights Act (USERRA) and the Consolidated Omnibus Budget Reconciliation Act (COBRA) both allow you to continue coverage for yourself and your dependents for up to 18 months at your own expense. The cost of the coverage could be up to 102 percent of the full premium for coverage. The full premium includes any amount your employer was paying. Any person covered by the health plan may choose to continue coverage, even if others who are covered do not. This means, for instance, that your spouse could continue coverage through USERRA and COBRA even if you do not.

**For more information about your rights under USERRA and COBRA, call the *U.S. Department of Labor Employee Benefits Administration* 1-866-444-EBSA(3272) or visit its Web site [www.dol.gov/ebsa/](http://www.dol.gov/ebsa/)**

If your employer discontinued your health coverage and you return to the company directly after your military deployment, federal law requires that you be allowed to resume plan membership without any type of waiting period.

## Suspending an individual plan

If you have an individual health care plan, you can suspend coverage while you're on active duty and request to be fully reinstated after release from military service. The federal Servicemembers Civil Relief Act (SCRA) allows service members to suspend or postpone some civil obligations, including health insurance. The SCRA requires insurance companies to reinstate your insurance with no waiting period when you return from active duty service if the coverage was in effect before you were called to active duty. The reinstatement must be requested in writing no later than 120 days after release from military service. Service members eligible for employer-sponsored health coverage are not entitled to the reinstatement.

For more information about SCRA, call the *U.S. Department of Veterans Affairs (VA)* 800-669-8477 or visit [www.insurance.va.gov](http://www.insurance.va.gov).

## Life Insurance

Life insurance protects a wage earner's spouse and family from economic loss if the wage earner dies. If you're single, don't have children, and have no one depending on you for support, you may not need life insurance, or may only need enough to settle your estate.

The Servicemembers Group Life Insurance (SGLI) program offers insurance specifically for members of the military at low rates. Active duty military personnel, including reservists and National Guard members called to active duty, automatically have \$400,000 in SGLI life insurance unless they reduce the coverage in writing. Coverage is available to provide up to a maximum of \$100,000 of life insurance for spouses and \$10,000 for dependent children. When you separate from the military, SGLI may be converted to private insurance from a list of participating companies. Therefore, it may meet your needs better than other life insurance products. For instance, it's one of the few life insurance options that doesn't exclude payments for acts of war. For more information, call the *SGLI* office 800-419-1473 or visit [www.insurance.va.gov](http://www.insurance.va.gov).

- If your individual circumstances present a need for more life insurance, compare policies and get price quotes from several companies before buying a policy. Make sure you understand the coverages included and any exclusions or limitations.

Be wary of life insurance that's presented to you as a savings or investment program. It is illegal to market life insurance as a savings, retirement, or investment plan without clearly disclosing that it is a life insurance policy and fully explaining the life insurance benefits.

Most life insurance policies will have a two-year "contestable period."

During this period, a company can refuse to pay benefits for suicides or for material misrepresentations on an application. As with any type of insurance, only buy from licensed agents and companies and consider factors other than cost – such as a company’s customer service history and its financial stability. You can verify an insurance professional’s license status by visiting [http://www.ct-clic.com/Content/License\\_Verification.asp](http://www.ct-clic.com/Content/License_Verification.asp).

SCRA allows active duty service members to defer insurance premiums and payments on their individual life insurance policies while they’re on active duty and for up to two years afterward. Requests for deferment must be approved in advance by the Veteran’s Administration (VA). Service members will have two years after they’re released from active duty to repay the accumulated premiums and interest. Contact the VA or visit its Web site for more information about SCRA.

### **Professionals in the Military**

Insurance professionals. Many reservists and National Guard members work in the insurance industry and, like all other licensed agents and brokers, are normally required to fulfill continuing education requirements. The Insurance Commissioner however, has waived these requirements for licensed agents and brokers who cannot fulfill their continuing education obligations because of their military service. Returning service members are also exempt from penalties or fees for failing to renew a license that expired during the service period.

### **Professionals with liability insurance.**

Physicians, lawyers, and other designated professionals can request in writing that their insurance company suspend their professional liability insurance policy while they’re on active duty. Insurance companies are required by the SCRA to suspend the coverage and to also reinstate the coverage if service members request reinstatement within 30 days of return.

Service members won’t be required to pay premiums during the suspension and could receive a premium reimbursement if they’ve already paid premiums for the suspension period. Service members should be aware that they will not receive any liability protection while their coverage is suspended.

### **Assigning 'Power of Attorney'**

Power of attorney is a special legal designation that authorizes someone to act on your behalf in insurance, financial, personal, or legal matters. Before deployment, you may want to consider assigning power of attorney to a

spouse, family member, or trusted friend. To assign power of attorney, you and the individual you designate must sign a form in front of a notary public. Contact your judge advocate general's office for assistance in creating a power of attorney or for a listing of recommended notaries in your area.

## **For More Information or Assistance**

For answers to general insurance questions or for information on filing an insurance-related complaint, visit our Web site [www.ct.gov/cid](http://www.ct.gov/cid) or call *Consumer Affairs* at 860-297-3900 or 800-203-3447 between 8 a.m. and 4:30 p.m., Monday-Friday

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