



State of Connecticut

Insurance Department

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COMMISSIONER

OFFICIAL NEWS RELEASE

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CONSUMERS: RESOLVE TO GET SMART ABOUT INSURANCE IN 2009

A quick review of your insurance policies could lead to savings.

As we move into 2009, a weak economy, rising unemployment, and falling home values will have important ramifications for insurance consumers nationwide. While these situations may pose challenges, a quick review of insurance coverage and premiums could lead to savings according to Connecticut Insurance Commissioner, Thomas R. Sullivan .

“Many households will enter the new year with a smaller budget and will seek ways to save money,” said Commissioner Sullivan. “Now is the time for consumers to review their insurance policies to maximize their coverage, minimize their costs, and protect themselves financially.”

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

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:

- **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; 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.

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 102% of the group's 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. 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 Connecticut Insurance Department toll-free at 800-203-3447 or direct at 860-297-3900

- Visit the Connecticut Insurance Department Web site at www.ct.gov/cid
- Visit www.InsureUonline.org for additional tips specifically geared toward a variety of life situations.

ABOUT THE CONNECTICUT INSURANCE DEPARTMENT

The mission of the Connecticut Insurance Department is to serve consumers in a professional and timely manner by providing assistance and information to the public and to policy makers, by regulating the insurance industry in a fair and efficient manner which promotes a competitive and financially sound insurance market for consumers, and by enforcing the insurance laws to ensure that consumers are treated fairly and are protected from unfair practices. For more information, visit the Connecticut Insurance Department at www.ct.gov/cid.

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