

# The Instant Insurance Guide: Military



Info and tips  
on auto, life,  
health and  
homeowners  
insurance for  
military  
personnel

From  
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# A Message From Delaware's Insurance Commissioner Matthew Denn

More than at any time I can remember, our country is focused on taking care of the men and women of our armed forces and their families. While the members of the military serve our country, the rest of us look to support them in whatever way we can.

That's why I developed this guide to address some of the unique and specific situations that may be faced by members of the military – whether active duty, Reserves or the National Guard – when it comes to insurance. I hope it will be helpful in providing guidance and peace of mind to those who are called to serve.

The Department of Insurance stands ready to assist military personnel and their families however we can with insurance-related issues they face. Please contact us at 1-800-282-8611 toll-free in Delaware, (302) 674-7310 or at [www.delawareinsurance.gov](http://www.delawareinsurance.gov) online.



# The Basics

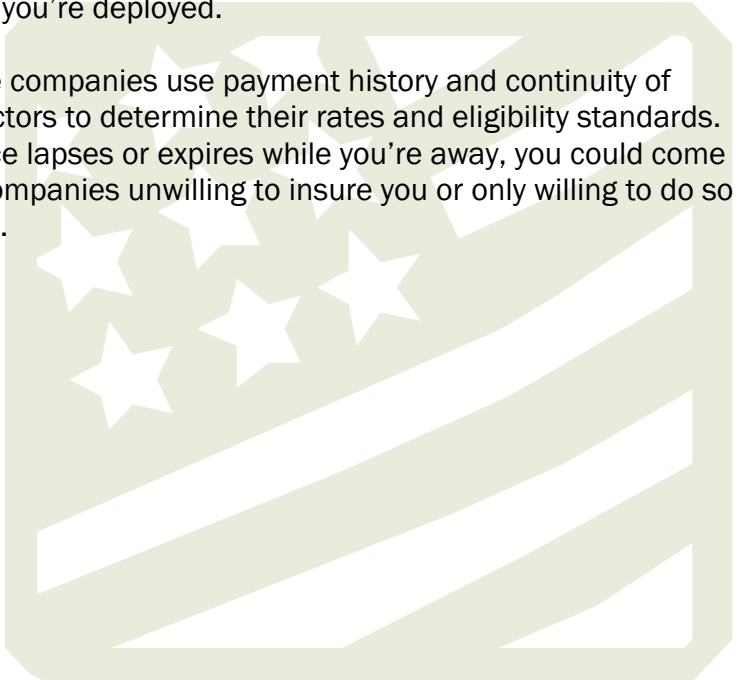
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Members of the armed services can be deployed on short notice, leaving little time to address their personal or business affairs. Insurance coverage, in particular, is often affected when someone moves out of state or spends an extended period of time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

Before you purchase any insurance policy, it is a good idea to **ask your insurance agent how the company will handle issues related to your deployment**. Each company's guidelines can vary. By shopping around, you may be able to find an insurer who takes the specialized needs of service members into account.

It might be difficult to handle routine business like paying premiums timely or renewing policies when you're deployed. Talk to your agent before you leave to learn when a policy is up for renewal and to make arrangements to pay your premiums. 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're deployed.

Most insurance companies use payment history and continuity of coverage as factors to determine their rates and eligibility standards. If your insurance lapses or expires while you're away, you could come home to find companies unwilling to insure you or only willing to do so at a higher rate.



# Life Insurance

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**Servicemembers Group Life Insurance**, known as SGLI, is a program of low-cost group term life insurance automatically available to all servicemembers on active duty, active duty for training or inactive duty for training and members of the reserves. This policy is automatically activated for a coverage amount of \$400,000 – the maximum amount of coverage – unless the servicemember opts out in writing. In addition, designated beneficiaries receive an additional payment of \$100,000 if a servicemember dies while on active duty. A servicemember can elect lower coverage or no coverage by completing the VA Form SGLV-8286. Coverage is available for spouses; dependent children are automatically insured for \$10,000.

When released from active duty or the reserves, members with full-time SGLI coverage can convert their coverage to Veterans Group Life Insurance or to an individual commercial life insurance. To learn more, go to the Veterans Affairs website at [www.insurance.va.gov](http://www.insurance.va.gov) or call 1-800-419-1473. In Delaware, you can contact the VA at 1-800-344-9900.

An important note to members of the armed forces regarding life insurance involves a provision that is commonly included in life insurance policies. If you have opted out or decided to purchase additional life insurance outside of the SGLI/VGLI military offered life insurance plans, you should review the list of exclusions to the policies. Many life insurance policies include a **“war exclusion”** provision that specifically states benefits will not be payable if the death is a result of war or the action of a military force. The Servicemembers Group Life Insurance and Veterans Group Life Insurance policies do not have this type of exclusion. In addition, many life insurance policies also contain exclusions about traveling on any non-commercial aircraft.

For general information and tips about life insurance, go to [www.delawareinsurance.gov/life](http://www.delawareinsurance.gov/life) online.

# Home Insurance

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Many homeowners policies have a "**vacancy clause**" and, if you are gone for an extended period on deployment, you could trigger it. In this event, some or all of your coverage may not apply in the event of a loss. The precise definition of vacancy can vary from policy to policy. 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 dwelling that is unoccupied for an extended period of time. Consult your insurance agent or company to learn how the company defines vacancy and whether the company will pay claims if a house is unoccupied.

It is a good idea to **check your coverage** under your homeowners policy with your agent before you leave on deployment — it could help you avoid a dispute or disagreement in the future. Make sure your policy limits are sufficient to cover your home and your personal property at today's costs. You may want to increase your coverage if you have made additions or improvements to your property.

The military generally will not pay to repair or replace **personal 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. Talk to your agent about whether personal items that you take with you during your deployment will be covered if they are lost, stolen, or damaged.

If you rent property, you should consider **renters insurance**, often referred to as personal property coverage. If you rent your home and have renters insurance, 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.

For general information and tips about homeowners and renters insurance, go to [www.delawareinsurance.gov/home](http://www.delawareinsurance.gov/home) online.

# Auto Insurance

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If you will be deployed for an extended period of time and no one will be driving your vehicle, you may be able to **suspend some or all of your auto insurance coverage** to save on premium payments. Not all insurance companies allow for coverage to be suspended. You may want to ask if liability coverage, collision coverage, comprehensive coverage, uninsured/underinsured motorist, medical payments and personal injury protection coverage can be suspended while you are deployed.

For more general information and tips about auto insurance, go to [www.delawareinsurance.gov/auto](http://www.delawareinsurance.gov/auto) online.



# Health Insurance

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Active duty personnel have coverage through the military, as do reservists and National Guard members after 30 consecutive days of active service. Many reservists and National Guard members, however, have health coverage for themselves and their families through an employer-sponsored health plan, and some may wish to continue that coverage, particularly for their dependents, during their active duty period. 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 are 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, you are entitled to continue the coverage at your own cost under federal law. 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, however, you may be required to pay 102 percent of the full premium for coverage. 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.

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.

For more general information and tips about health insurance, go to [www.delawareinsurance.gov/health](http://www.delawareinsurance.gov/health) online.

# Other Tips

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It is important that you make arrangements to **have your insurance premiums paid** while you are deployed. If your insurance company cancels your policy for failure to pay your premium on time — or for any other legal reason — you will likely have trouble getting a new insurance policy and, when you do find a company willing to insure you, you may have to pay higher rates. Many companies will decline to insure drivers who have lapses in their insurance coverage. And if your coverage lapsed for more than 30 days, companies may be able to charge you a higher premium.

**Power of attorney** is a special legal designation that authorizes someone to act on your behalf in insurance, financial, personal, or legal matters. If you are deployed, 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 before a notary public. Ask your base personnel office about where to find a notary. You may also consult the business listings in your local telephone directory to find notaries in your area.

These sites on the internet provide useful information regarding insurance and consumer protection for military personnel:

- **[www.delawarenationalguard.com](http://www.delawarenationalguard.com)** Links to information for Delaware Guard members on life insurance, legal assistance, and family readiness
- **[www.insurance.va.gov](http://www.insurance.va.gov)** Information about Servicemembers Group Life Insurance from the Department of Veterans Affairs
- **[www.military.bbb.org](http://www.military.bbb.org)** The U.S. Better Business Bureau website dedicated to consumer protection issues for military members and their families.
- **[www.dol.gov/ebsa/](http://www.dol.gov/ebsa/)** Information about your rights concerning health insurance coverage under USERRA and COBRA. You may also call 1-866-444-EBSA.
- **[www.consumer.gov/military](http://www.consumer.gov/military)** Military Sentinel, a project of the Federal Trade Commission and the Department of Defense to identify and target consumer protection issues that affect members of the military and their families.
- **[www.commanderspage.dod.mil](http://www.commanderspage.dod.mil)** Find a list of insurance agents who have been barred from doing business on military bases by clicking on the link for “Personal Commercial Solicitation Report.”
- Legal assistance for military personnel is available at the following sites:

**[hqja.jag.af.mil](http://hqja.jag.af.mil)** for Air Force

**[www.jagcnet.army.mil/Legal](http://www.jagcnet.army.mil/Legal)** for Army

**[www.uscg.mil/legal](http://www.uscg.mil/legal)** for Coast Guard

**[sja.hqmc.usmc.mil](http://sja.hqmc.usmc.mil)** for Marines

**[www.jag.navy.mil](http://www.jag.navy.mil)** for Navy

# Need Help?

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The Delaware Insurance Commissioner's Office is here to help if you have questions about or problems with your insurance coverage or insurance company.

Questions about insurance or complaints about an insurance company or insurance agent can be made to the Commissioner's Consumer Services division by phone, by fax, by letter, by email or with an online complaint form:

**1-800-282-8611 toll-free in Delaware  
or (302) 674-7310**

**(302) 739-6278 fax**

**841 Silver Lake Blvd.  
Dover, DE 19904**

**Email: [consumer@state.de.us](mailto:consumer@state.de.us)**

**Website: [delawareinsurance.gov](http://delawareinsurance.gov)**

## **State Insurance Commissioners Protect Military Personnel, Too**

In 2006, Congress passed S. 418 to make clear in federal law that state consumer protections for insurance and securities, including the oversight of sales practices, apply on military installations. The act bans periodic payment plans, a type of financial product that has all but disappeared from the civilian market because it carries unusually high fees and sales commissions. It also asks the nation's insurance commissioners to work with the Secretary of Defense to develop ways of improving the quality of life insurance products sold on military installations and to implement appropriate standards to protect military personnel from dishonest and predatory sales practices.


# More Online

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Visit Insurance Commissioner Matthew Denn's website to find even more information and tips about all types of insurance:

## **[delawareinsurance.gov](http://delawareinsurance.gov)**

Topics covered online include:

- **Compare rates** from more than 50 auto insurance companies
  - Calculating **how much life insurance** you may need
  - Create a **home inventory** of your possessions in case your home is damaged or destroyed
  - Tips for **lowering your auto insurance**, including a list of defensive driving courses in your area and online
  - **Appealing a denial** under private health insurance
  - All about **flood insurance**, which is not part of standard homeowner policies
  - **Filing a complaint** against an insurance company or agent
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# Insurance Issues For Military Personnel

- **Life Insurance** Do you have Servicemembers Group Life Insurance available to most military personnel? If you have private insurance, is there a “war exclusion” that may prevent payment to your beneficiaries?
- **Auto Insurance** Can you suspend some or all of your auto insurance policy and payments if you are deployed for an extended period of time?
- **Homeowners Insurance** Is there a “vacancy clause” in your homeowners policy that may prevent payment for damage that occurs while you are deployed?
- **Health Insurance** If you are in the Guard or Reserve, will your health coverage continue if called to active duty, or will you need to pay for continued coverage yourself?
- **Paying Premiums** If you are being deployed, have you made arrangements for your insurance premiums to be paid while you are gone?

See inside this guide for more on each of these issues.

**Get more tips and information  
about insurance for military personnel  
from Insurance Commissioner Matthew Denn at  
[delawareinsurance.gov](http://delawareinsurance.gov)**