



# Insurance Matters

Commissioner Karen Weldin Stewart, CIR-ML

A Newsletter for Delawareans

Issue 16 • Summer 2014

## Our Mission

Protecting Delawareans through regulation and education while providing oversight of the insurance industry to best serve the public

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# The Consumer Comes First

## The Main Reason for Our Existence

Welcome to the Summer 2014 edition of **Insurance Matters**, the Delaware Department of Insurance e-newsletter that provides important insurance information about matters affecting you. Hurricane Arthur blew by Delaware in early July and luckily there was no large-scale damage reported from the storm. Arthur was the first named storm of the 2014 Atlantic hurricane season, which runs until November 30. Visit our *Storm Preparedness* webpage for tips on preparing your home and family for damaging storms.

I am excited to report that Delaware recently became the 37th state in the country to allow drivers to provide law enforcement officials with electronic proof of automobile insurance. While it's great that you can now use your phone to show your proof of auto insurance you might still want to keep a copy of your ID card in your car. Read why and other details about the change in the law on the next page of this newsletter.

The staff of the Department of Insurance is here to serve you, no matter the subject area, if you encounter any problems or need assistance understanding your rights as a consumer. We're now on Twitter, in addition to Facebook, so follow us @Delaware\_DOI to see the informative links and news stories that we "tweet" on a regular basis. Our goal is to keep you informed about insurance issues and related topics that can help improve the safety and well-being of you and your property, your family, and your business. Thank you for reading and don't forget to share **Insurance Matters** with your family and friends.

Warm Regards,

**Karen**

Karen Weldin Stewart, CIR-ML  
Insurance Commissioner

Questions about your insurance? Call 1-800-282-8611

[www.delawareinsurance.gov](http://www.delawareinsurance.gov)



# Electronic Proof of Insurance

## Showing Proof of Insurance Can Now Be Done on a Cell-Phone

As of June 25, 2014, Delaware law-enforcement officials will accept proof of auto insurance (insurance ID card) in electronic format—physical cards will still be accepted, of course. *House Bill 258 w/HA 1* states that law-enforcement will now accept electronic proof of insurance on “a cellular phone or any type of portable electronic device.” While this bill will make it easier for drivers in Delaware to prove that they have the proper insurance coverage, Commissioner Stewart recommends that drivers continue to keep a current physical copy of their insurance ID card in their vehicle at all times.

Commissioner Stewart stated, “I applaud the Delaware legislature and Governor Markell for passing and enacting this legislation that will now allow for electronic proof of auto insurance. Delaware is now the 37th state to allow this proof of insurance coverage. However, I suggest that all drivers still keep a physical copy of their current insurance ID card in their vehicle in case your cell phone [or other portable electronic device] has a dead battery or can’t get a signal when you need to show your proof of coverage. Additionally, not all of the states in the region accept electronic proof of auto insurance, including New

The following states still do not accept electronic proof of auto insurance. Be sure to have a current copy of your insurance ID card in your car when driving in these states:

New Jersey, New York, Connecticut, Massachusetts, Vermont, New Hampshire, North Carolina, West Virginia, Ohio, Michigan, Montana, Nevada, New Mexico, Hawaii

Jersey, New York and West Virginia. You don’t want to be caught without the proper proof of insurance when traveling.”

If your insurance company offers an app for your smartphone or tablet it is probably helpful to download the app. An app can usually make accessing your insurance ID card much easier than logging in to a website which may or may not be ‘mobile-friendly’. Apps often don’t require you to log-in, whereas a website will usually require you to enter your username and password which you might forget if you don’t access that site often. Ultimately, consumers should do what works best for them.

Two additional items in the bill (HB 258) should also be noted: First, the bill states that “Presentation of proof of insurance in electronic format shall not constitute consent for law enforcement, justice of the peace, or other state officials to access other contents of the cellular phone or other portable electronic device, and shall not expand or restrict authority to conduct a search or investigation.”

Additionally, the bill states, “Law enforcement officers, justice of the peace, and other state officials shall not be liable for any damage to a cellular phone or portable electronic device resulting from its use to present satisfactory proof of motor vehicle liability insurance coverage.” Commissioner Stewart added, “I’m very pleased that the state legislature inserted language in to this bill to protect the privacy of consumers.”

To read the complete bill visit: <http://www.legis.delaware.gov/>, click on “Bill Tracking” and select “House Bill” and enter “258” in to the search field. HB 258 was passed by the Delaware State Legislature on May 15, 2014 and signed in to law by Governor Jack Markell on June 25, 2014.

# Helping Consumers

## Department Recovers \$1.4 Million for Consumers in First Half of '14

### *Increase of Nearly 50 Percent in Money Recovered for Delaware Consumers for First Half of 2014, Compared to 2013*

Commissioner Karen Weldin Stewart and the Delaware Department of Insurance reported in July that \$1,407,464.40 has been recovered for consumers in the first six months of 2014. The Consumer Services Division has recovered \$604,255.87 for Delaware policyholders and handled 2,700 formal complaints and inquiries. Of those 2700 cases that were opened, 2534 have been closed, as of July 1. The breakdown of funds recovered during this period is:

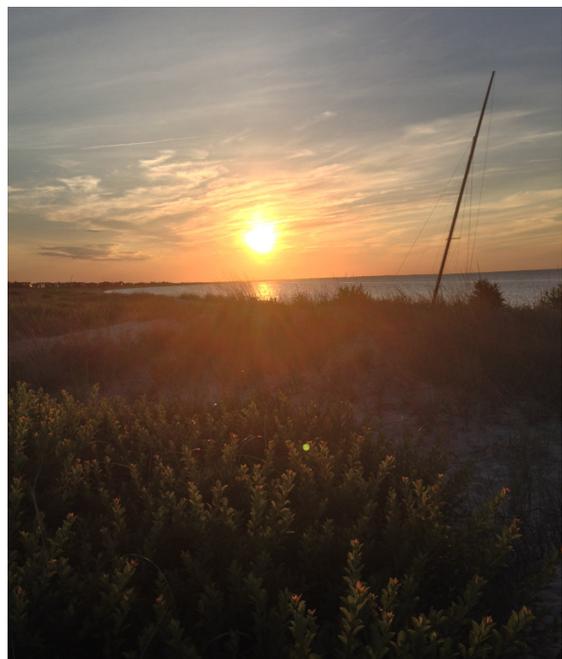
- Consumer Services – \$604,255.87
- Market Conduct Examinations and Investigations – \$425,000.00
- Arbitration Hearings – \$378,208.53

The department's Market Conduct Division has returned \$425,000 back to consumers as a result of exams and investigations in the first half of this year. Arbitration actions also resulted in \$378,208 recovered for Delaware consumers as a result of hearings requested by, or on the behalf of, the consumer and facilitated by the Department of Insurance.

During the first six months of 2014, the Delaware Department of Insurance was also successful in saving money for Delaware businesses through the Workplace Safety Program. The Workplace Safety Program is a Department of Insurance incentive program designed to help employers with exposure in Delaware to establish and maintain safe workplaces. The program also provides businesses with the opportunity to earn discounts of up to 19 percent on their workers' compensation insurance premiums by meeting certain safety requirements and undergoing inspections.

This year there are 1458 businesses enrolled in the Workplace Safety Program. The projected savings to date for calendar year 2014, according to the Delaware Compensation Ratings Bureau, is \$4,702,896.00 on those businesses' workers' compensation insurance premiums. We continue to work daily with employers and insurance agents to communicate the benefits of participation to those who are eligible for the first time and to retain previous participants.

Commissioner Stewart stated, "These numbers show that the Department of Insurance is fulfilling its mission of 'Protecting Delawareans'—1.4 million dollars is certainly no small sum of money. I would especially like to applaud the staff here at the Department of Insurance who work with the public to help them understand their rights, responsibilities and options as consumers. We are always working to increase the knowledge of our services to the public so that they know where to turn for free and unbiased assistance with their insurance questions."



The sun sets over Delaware Bay in Lewes

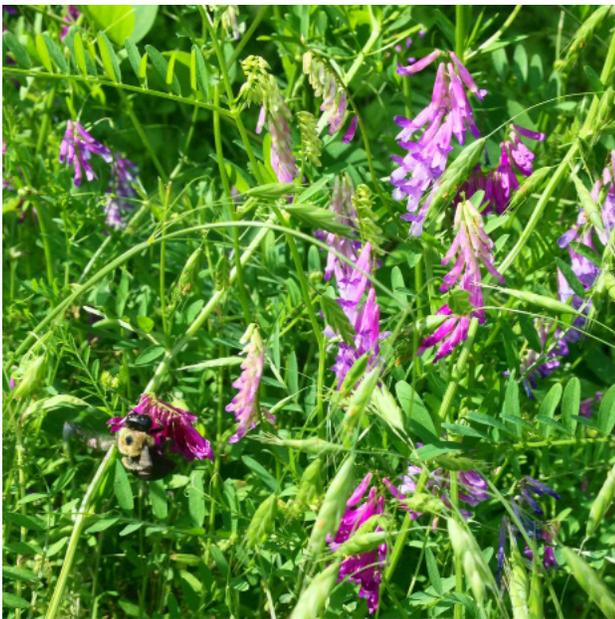


# Insurance Facts

In 2012 more than half of drivers ages 16 to 19 who were involved in fatal car accidents were not wearing a seat belt. Source: NTSB

## Storm Surge Risk

According to a recent report by CoreLogic, there are 48,534 total properties at risk for damage due to storm surge in Delaware. The estimated reconstruction value of all of those properties comes to \$15,005,831,591.00.



A bumblebee visits flowers in White Clay Creek State Park outside Newark, Delaware.

## Good to Know: Cars & Theft

- July and August are the top two months for auto thefts to occur
- 50% of all vehicles that are stolen either have the doors unlocked or the keys were left in the ignition
  - Rolling up your windows can reduce the risk of auto theft by 20%
  - 25% of drivers say they have left bank statements in their car, which could lead to identity theft

These facts were sourced from a poster from InsureU. Check it out at [www.insureuonline.org/events\\_new\\_car\\_infographic.pdf](http://www.insureuonline.org/events_new_car_infographic.pdf)

Fraud accounts for 19 percent of the \$600 billion to \$800 billion in waste in the U.S. healthcare system annually. (Thomson Reuters, 2009)

Report insurance fraud to the Delaware Department of Insurance  
***Fraud Prevention Bureau at  
1-800-632-5154 or  
email: [fraud@state.de.us](mailto:fraud@state.de.us)***

# Workplace Safety

## Employers Take Note of Minor Changes to Program

Insurers issuing workers compensation insurance in Delaware may submit their own workplace safety inspection procedures for review by the Insurance Department. The Insurance Department shall permit the insurer's inspection to satisfy the inspection requirements of paragraph 7.1.1 of Department Regulation 802 if the inspection procedures are at least as rigorous as those employed by the Insurance Department and its independent safety experts. An insurer's safety inspection procedures must be re-certified on a bi-annual basis to maintain status as an acceptable substitute.

The new requirements of House Bill 175 regarding the Workplace Safety Program now take effect. In addition to hazard recognition observations based on the physical walk through of your workplace and abatement of previously made recommendations, where applicable, three years of workplace injury data will now also be considered when determining if you will be awarded the Workplace Safety Program Credit. For compliance, please ensure all information is filled out completely and accurately. Please check the website for our most current Workplace Safety Program application: [http://www.delawareinsurance.gov/departments/safety/Questionnaire\\_2013\\_General.pdf](http://www.delawareinsurance.gov/departments/safety/Questionnaire_2013_General.pdf)

## Protecting Workers from High Temperatures

We all know that summertime means higher temperatures, and because we live in the Mid-Atlantic region the humidity can easily make temperatures feel ten degrees hotter than it actually is. For people who work outside, or around high temperatures inside, taking a few extra precautions when working in high temperatures can make all the difference between just being hot and becoming severely ill or disabled.

If you are an employer who oversees employees that work outside or in high temperatures you can find numerous resources on the Occupational Safety & Health Administration, OSHA, website dedicated to the subject: <https://www.osha.gov/SLTC/heatstress>. The following information is from OSHA.

**Why is heat a hazard to workers?** When the air temperature is close to or warmer than normal body temperature, cooling of the body becomes more difficult. Blood circulated to the skin cannot lose its heat. Sweating then becomes the main way the body cools off. But sweating is effective only if the humidity level is low enough to allow evaporation, and if the fluids and salts that are lost are adequately replaced.

If the body cannot get rid of excess heat, it will store it. When this happens, the body's core temperature rises and the heart rate increases. As the body continues to store heat, the person begins to lose concentration and has difficulty focusing on a task, may become irritable or sick, and often loses the desire to drink. The next stage is most often fainting and even death if the person is not cooled down.

Exposure to heat can also increase the risk of injuries because of sweaty palms, fogged-up safety glasses, dizziness, and burns from hot surfaces or steam.

Symptoms of heat exhaustion include: extreme weakness or fatigue, dizziness, confusion, nausea, clammy skin, pale or flushed complexion, muscle cramps, and fast and shallow breathing, among other symptoms.

There are simple steps that employers and employees can take to prevent overheating: drink lots of water, and take breaks in the shade or air conditioning if working in the sun or in hot/humid areas inside buildings with no AC. Be sure to learn the signs of heat-distress on the body and educate your workers about the risks.



# ELDERinfo is Now DMAB

## Program Gets New Name That More Effectively Describes Services Provided; Aims to Reach More Medicare Recipients Under 65

As of May 21, 2014, the ELDERinfo program will now be known as the **Delaware Medicare Assistance Bureau**, or **DMAB**. ELDERinfo has been providing free, local assistance to Delaware's Medicare recipients for 21 years, and it will continue to offer the same great services just with a new name. Commissioner Stewart stated, "With this new name we hope to reach more of the nearly 28,000 Medicare recipients in the state who are under age 65 and on Medicare due to a disability. Many of the younger Medicare recipients think the service is only for people age 65 and older. Additionally, many of the people today who are 65 and older do not feel 'elderly' and they reject terms that make them feel old. The new name better reflects the services that the program provides to the public. We think the new name will be a win-win for the staff and the public."

As of September 2013, Delaware was home to 167,538 Medicare recipients which includes almost 28,000 individuals who are under the age of 65 and on Medicare due to disability. The program assisted 5,864 individuals in 2013 and helped Medicare recipients save more than two million dollars in prescription drug costs and \$492,000 on Medicare Part B premiums. Approximately

18% of Delaware's population receives Medicare benefits and that number is only going to grow as the Baby-Boomer generation turns 65.

According to Lokia Turner, director of the Delaware Medicare Assistance Bureau, the new name will hopefully reduce some confusion among the public because ELDERinfo often received calls from people who thought the program was a resource for all senior-related programs in the state. "DMAB is a free resource for Medicare recipients who have questions about Medigap plans, prescription drug coverage, Medicare Advantage, financial assistance programs and anything else related to Medicare," said Ms. Turner. "Our phone number will remain the same: 1-800-336-9500. You can also send e-mails to [DMAB@state.de.us](mailto:DMAB@state.de.us) or find information on our updated website, [www.delawareinsurance.gov/DMAB](http://www.delawareinsurance.gov/DMAB)."

The DMAB website, [www.delawareinsurance.gov/DMAB](http://www.delawareinsurance.gov/DMAB), also has information about Medigap plans, including the 2014 Delaware Medicare Supplement Insurance Shopper's Guide.

## "Welcome to Medicare" Events Planned for September

The Delaware Medicare Assistance Bureau will host five free info sessions this September for people who are turning 65 and want to learn about the basic concepts of their Medicare coverage. For more info about when and where the events will be held please visit <http://delawareinsurance.gov/DMAB/calendar.shtml> or call DMAB at 1-800-336-9500. Registration is required.



# Protecting the Future

The Department of Insurance is a proud member of the National Association of Insurance Commissioners, NAIC. The NAIC is educating the public about the compelling benefits of state-based insurance regulation—a system that has served the American people exceptionally well. By ensuring soundness, solvency, stability and competition, state-based insurance regulation does more than make insurance markets work—it protects the future for American consumers, employers and the economy as a whole. [www.naic.org/protectingthefuture.htm](http://www.naic.org/protectingthefuture.htm)

## PROTECTING THE FUTURE

### State-based insurance regulation is:

**governed** by 56 state insurance commissioners and is supported by the National Association of Insurance Commissioners (NAIC).

**responsible for** the safety and soundness of the US insurance system.

**able to adapt** to meet coming economic and financial challenges and the needs of each state.

**protecting** consumers and ensuring a wide choice of secure insurance products and services to help prepare for the unplanned and unexpected.

**implementing** state solvency standards and international standards developed by the International Association of Insurance Supervisors or the Financial Stability Board.

**fostering** competitive insurance markets with over 6,000 companies and \$7 trillion in assets under management.

**enforcing** insurance regulation, capital standards, consumer protections and anti-discriminatory treatment of customers.

**approving** insurance products and creating insurance company licensing regulations.

The National Association of Insurance Commissioners (NAIC) is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S. For more information, visit [www.naic.org](http://www.naic.org).





# Ask the Commissioner

**Question:** I recently rented a car while on vacation in Florida and the rental agent strongly suggested that I purchase the rental car insurance coverage but it wasn't cheap. Does my personal auto policy extend to rental cars? Even if I'm in another state?

**ANSWER:** That's a great question, and one we hear quite often. Like many of the questions that are answered for this column, the answer is going to depend on various factors such as the insurance coverage you already pay for and the limits and deductibles you have in place on those policies. In general, the answer to your question is probably a "yes". If your personal auto insurance policy covers comprehensive and collision coverage then you are probably ok with declining the rental car insurance, even if you're renting a car in another state.

Before you rent a car it is recommended that you call your auto insurance company and confirm that your coverage extends to rental cars. If you have very good auto, home/renters and health insurance coverage you can probably decline all of the extra coverage offered from the rental car company. Keep in mind that any limits and deductibles still apply to your rental car if something bad does happen. And if you're renting the car for commercial or business use, or for long periods of time, then your personal auto insurance coverage may not apply. Personal policies also may not cover rentals in foreign countries.

If you're paying for the rental car with a credit card, check with the credit card company to see what additional rental car coverage is provided. Call the number on the back of the card before buying extra protection. For some people, the rental company's insurance is an attractive option because it protects you from a raised auto insurance premium if you damage the rental car. Supplemental coverage might also be a smart idea if you carry a high deductible on your auto insurance policy.

If you're not currently insured, you'll need to at least buy the liability coverage. You should probably purchase additional rental car coverage if your policy doesn't have comprehensive and collision coverage or if you're only insured under a commercial car insurance policy.

For more information call your insurance company directly or visit [www.insureuonline.org/consumer\\_auto\\_car\\_rental\\_insurance.htm](http://www.insureuonline.org/consumer_auto_car_rental_insurance.htm)



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DMAB: 1-800-336-9500

Fraud: 1-800-632-5154

Dover Office Main Line: 302-674-7300