



Department of Business Regulation
Insurance Division
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Consumer Alert 2018-1

Insurance Checklist for the New Year

5 policies to review as you start the New Year

Make a resolution to review your insurance policies and coverage. The start of a new year is a great time to reevaluate your insurance coverage needs. Changing circumstances may require updated policies. Did you have a baby? Get married? Purchase a new home or car? If so, you'll want to check whether you have the right protection.

The Rhode Island Insurance Division and the National Association of Insurance Commissioners (NAIC) offer these tips for your consideration. Talk with your insurance agent and review your policies to see if they meet your current needs. Your agent or company can help determine whether your coverage is adequate or if you might need to make adjustments. Even if you haven't experienced a life changing event, you could be eligible for discounts or new insurance products that may better serve your needs.

1. Life Insurance

Changes—such as a birth, divorce, remarriage or even a new mortgage or new job—are indicators that you might need to make changes to your life insurance policy – or at the very least –review your policy.

Read your policy carefully and answer these questions:

- Do premiums or benefits vary from year to year?
- Do the total benefits grow over time?
- Are there benefits that are not guaranteed?
- Do premiums change over time?
- What happens if I quit paying premiums – do I maintain some of the benefits?
- Are there any impacts associated with interest earned on the policy?
- In what situations and through what procedures can you assess cash values?
- Can the policy be converted into another form of insurance or annuity?

In the case of the birth of a child or a new marriage, you may want to consider increasing your death benefit. Check with your agent to see if your insurance company requires a physical exam before increasing your coverage levels.

Alternatively, events like paying off your mortgage, retirement or children finishing college might mean that you can lower your life insurance coverage and premiums. Ask your life insurance company whether you have the option of "conversion privileges" from your current term life insurance policy to a new whole life insurance policy. You may also be able to expand your death benefits so they can be used while you are still living. Ask your insurance agent or company about these options.

2. Homeowners/Rental Insurance

This past year we witnessed a significant number of natural disasters. If you were impacted by a catastrophe or live in an area prone to floods, earthquakes or wildfires, you should make sure you're properly covered. These disasters can be costly, and may not be covered under a standard policy. Discuss the possibility of adding coverage for these perils with your agent or insurance company.

Special Note on Flooding: Flood damage is **NOT** covered under a standard homeowners or renters policy. Even if you do not live in a flood prone area, be mindful that floods can happen anywhere, to anyone, at any time. Please see [Consumer Alert 2016-2](#) for additional information on flood insurance.

The start of a new year is also a great time to update your home inventory and make sure your homeowners or rental policy is up-to-date. Take photos or video of your prized possessions. Remember to note valuable antiques, artwork or jewelry so your insurance agent or insurance company can help determine if they are properly covered. Creating a home inventory from the NAIC's free smartphone app, [myHOME Scr.APP.book](#), takes some of the headache out of this process. Download the app from [iTunes](#) or Google Play. You can also download a [paper](#) version.

Remember to add any new expensive or sizable gifts to your home inventory, too. Include as many details as you can and take photos of each item. Most basic home insurance policies have standard limits for big-ticket items like electronics, art, jewelry or sporting equipment. You may need special coverage, so call your agent to discuss changes for your policy.

3. Auto Insurance

Have you had any changes to your driving habits? If so, tell your agent to ensure your auto policy will cover you in case of an accident. Also take some time to check your auto insurance policy by following the guidelines below:

- Make sure your coverage is appropriate for your life situation. Liability is the part of the policy that pays for any injury or damage if you cause an accident. If your liability insurance is too low, you may be legally exposed for any damages above your liability limits.
- Review your deductibles for comprehensive and collision coverage. This is the amount you will pay if your car is damaged or totaled without fault of another driver. Raising or lowering this amount can affect your premium.
- Make sure you have a copy of your insurance card and your insurance agent or company's number in your vehicle at all times.

It is a good idea to accurately record details of an accident if you are in one. The [NAIC smartphone application WreckCheck](#) assists you through the process of gathering information following an accident. It allows you to easily email your notes directly to your agent to assist with the claims process. Download the free app from iTunes or Google Play

4. Health Insurance

You may have recently enrolled or changed your health insurance whether through your employer, Medicare or your state exchange. Make sure you have new insurance cards and paperwork before you visit a doctor.

- Check your provider lists to make sure visits to your doctor and any specialists are still covered by your policy, as in-network or preferred provider lists change from year to year.
- Read through your documents and make note of co-pays for in-network and out-of-network providers to avoid surprises.
- If you're planning a vacation check with your insurance carrier to identify urgent care centers and hospitals that accept your insurance coverage. Ask your carrier about applicable co-pays and deductibles if care is needed. Here's an [explanation of health insurance terms](#) you may find on your paperwork.

5. Protect Yourself from Identity Theft and Fraudulent Activity

The Equifax data breach of 2017 exposed the personal information of more than 145 million people. A data breach can potentially expose a consumer's data putting them at risk for identity theft or other fraudulent activity. There are some things you can do to [protect your identity](#) in the coming year and beyond by following the tips below:

- Don't give out any personal information—like your social security number or bank information—over the phone.
- Consider purchasing identity theft insurance. Several companies offer identity theft insurance, which generally costs between \$25 and \$60 per year.
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When purchasing an insurance policy:

- Ask for copies of everything you sign and keep a copy of the initial policy payment receipt or check you gave the agent or company.
- Call the insurance company if you don't receive a copy of the insurance policy outlining your coverage and its limitations within 30 days of your purchase.
- The best way to protect yourself from insurance fraud is to research the agent and company you're considering. Before you sign a contract or write a check or give out personal information, call the Rhode Island Insurance Division at 401-462-9520 or email dbr.insurance@dbr.ri.gov to verify the individual and/or company you are working with is licensed to do business in RI. You may also file a complaint online with the RI Insurance Division by clicking [here](#).

More Information

Find more information about your insurance needs and tips for choosing the coverage that is best for you and your family at www.InsureUonline.org. If you have questions about your insurance options or about your insurance coverage, contact the Rhode Island Insurance Division at 401-462-9520 or email dbr.insurance@dbr.ri.gov for assistance.

About the RI Insurance Division

The mission of the [Rhode Island Insurance Division](#) is to assist, educate and protect Rhode Islanders through the implementation and enforcement of state laws mandating regulation and licensing of the regulated industries while recognizing the need to foster a sound business environment in the state. We are also committed to treating everyone who comes before us fairly, efficiently and with respect. Please visit our [website](#) to obtain additional consumer information and [alerts](#) issued by the Rhode Island Insurance Division, or you may contact us at 401-462-9520 or email dbr.insurance@dbr.ri.gov for assistance.

About the NAIC

[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 unbiased consumer information and resources, visit insureUonline.org

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