

INSURANCE FACTS
for Pennsylvania Consumers

Insurance Tips for
Pennsylvania
Consumers

1-877-881-6388

Toll-free Automated *Consumer Line*

www.insurance.pa.gov

Pennsylvania Insurance Department Web site

Insurance can be a complicated topic at times. Your first step is to be an informed shopper. The Pennsylvania Insurance Department developed this pamphlet to give you points to consider when shopping for an insurance policy. Tips listed in the brochure are examples of things to keep in mind while making comparisons.

This publication may not answer all your questions, so the Pennsylvania Insurance Department produces a variety of brochures that are specific to various insurance products, such as automobile, homeowners, life, medicare supplement and long-term care insurance to name a few. To obtain a copy, please contact the Department on our toll-free automated *Consumer Line* at **1-877-881-6388**, visit our Web site at www.insurance.pa.gov or contact any of our two regional offices listed on the back cover.

LIFE AND HEALTH INSURANCE

- ◆ A new accident and health policy may subject you to new **underwriting criteria** and a waiting period for pre-existing conditions, except in replacement of a group policy.
- ◆ When purchasing a life insurance policy, **you have a minimum of 10 days from the date of delivery of the policy to review and return the policy** to the insurance company for a full refund if you are not completely satisfied.
- ◆ If you decide to buy an accident and health insurance policy, you can return the policy directly to the agent or the company by certified mail within ten days of receipt of the policy for a full return of the premium paid. **This only applies to individual policies, not group policies.** For Medicare supplement and long-term care policies, new policyholders have 30 days to return the policy.
- ◆ There are no Medicare agents. If you receive a card or letter referring to **“Medicare Information”**, an insurance agent may call you to discuss a policy to supplement your Medicare.
- ◆ If you are unable to find accident and health insurance coverage, health insurance is available at the market rate during Blue Cross’s **continuous open enrollment process**.
- ◆ Health insurance for children may also be available through the **Children’s Health Insurance Program (CHIP)**. Call **1-800-986-KIDS** for CHIP eligibility requirements.
- ◆ Health insurance for adults may also be available through **adultBasic**. Call **1-800-GO-BASIC** for eligibility requirements.
- ◆ Be aware that **warranties** and **service agreements** not issued by insurance companies may not provide the same protections available as those sold by insurers.

PROPERTY & CASUALTY INSURANCE

- ◆ Pennsylvania law **does not require** companies to extend a grace period for premium payments. If payment is not received by the due date, the company is permitted to cancel for non-payment of the premium.
- ◆ When replacing your automobile or homeowner policy with another company, be aware that the new company has **60 days to underwrite (examine, accept or reject) your application**. This may include securing motor vehicle, credit and claim history reports, as well as verification of other information provided on the application. Your policy can be canceled during the first 60 days for any adverse information, such as accidents, violations, suspensions or prior claims.
- ◆ Consumers unable to obtain automobile insurance coverage may do so by seeking coverage through the **Pennsylvania Assigned Risk Plan**. This coverage is available through licensed insurance agents or brokers certified by the Plan.
- ◆ If the vehicle you own has been damaged, **the decision of where the vehicle is to be repaired is yours**. No insurer, adjuster, appraiser or agent shall require that repairs be made at a specific repair facility.
- ◆ Pennsylvania residents may purchase basic fire insurance through the **Pennsylvania Fair Plan**. If you are unable to secure fire insurance coverage, call any insurance agent or broker to assist you in securing this coverage.
- ◆ A Pennsylvania homeowner policy in force for more than 60 days **may not be terminated** for claim frequency alone. The company, however, may apply a surcharge (the right to assess and collect additional premium).
- ◆ Flood damage is not covered by a homeowner policy. Call the **National Flood Insurance Program** at **1-888-CALL-FLOOD** for information on how to obtain flood insurance.
- ◆ Warranties, motor clubs, etc. **do not have to be purchased** as part of your policy.
- ◆ **Sinkholes** are not a covered peril in a standard homeowners policy. Protection against sinkhole damage may be “bought back” as an additional coverage to your homeowners policy.

GENERAL CONSUMER TIPS

- ◆ Shop around! Ask questions! Compare prices! Rates and benefits vary widely. Be certain you are **comparing the same coverage**. A policy may cost less, but provide fewer benefits.
- ◆ Review information about the company's **financial strength**. This information, prepared by various rating services, may be available in your public library.
- ◆ Never deal with a salesperson who is **“just passing through”**. He or she may not be available to provide service when you need it.
- ◆ Be sure to obtain the agent's **name, address and phone number**. Be wary of an agent who refuses to give their name and company affiliation or leave a business card.
- ◆ Ask about the agent's **qualifications, experience and education** in insurance.
- ◆ **Be alert** when dealing with insurance agents of companies that state or imply they are sanctioned by the government, labor groups, teacher groups or other professional organizations.
- ◆ **Never** let emotion influence your purchase.
- ◆ **Don't feel pressured** into making a decision on the spot. Any insurance policy available today will still be available tomorrow.
- ◆ **Do not hesitate** to tell an insurance agent to leave your home immediately.
- ◆ Never be **“stampeded”** or frightened into buying coverage you may not need.
- ◆ Know what insurance **benefits** you already have before you consider buying additional policies.
- ◆ **Avoid duplication**. You may have the same coverage in a current policy as those being presented to you in a new policy.
- ◆ If you are considering replacing your current policy with a new one, **be sure to understand** the costs, benefits and conditions associated with each policy, as well as risks associated with a change.
- ◆ Provide **accurate and complete** information on an insurance application to avoid problems later. **Read and understand what you are signing**. When answering questions on an application, your answers should be accurate, truthful and recorded as you stated. You are responsible for information that bears your signature. Your policy could be declared void if information is misrepresented. Errors and omissions can lead to higher premiums or coverage terminations.

GENERAL CONSUMER TIPS

- ◆ Do not assume that the policy premium quoted will be the actual premium of the policy, or that the policy will even be approved for coverage. **Premium quotations are based on the information provided at the time.** If the insurance company finds any of the information provided to be incorrect or develops some additional information, the original premium quoted may change or the company may even refuse to issue a policy.
- ◆ When **changing insurance companies**, do not cancel your existing insurance policy until you are assured of the price and that you have been accepted by the new insurance company.
- ◆ **Never pay cash.** Payment by check provides proof of payment and allows you to stop payment if necessary. Always make the check payable to the insurance company. Avoid making the check payable to the agent.
- ◆ Never sign an application for any type of insurance until you **read and verify** the accuracy of the information.
- ◆ Make sure you **read and understand what you are signing.** When answering questions on an application for insurance, your answers should be accurate, truthful and recorded as you stated. You are responsible for information that bears your signature. Your policy could be declared void if information is misrepresented.
- ◆ When you receive your policy, **review the policy's coverage**, including the exclusions, with your agent.
- ◆ If you are interested in **reducing your premium**, consider selecting a higher deductible. The deductible is the amount you must pay out-of-pocket before the insurance company pays the remainder of the claim. Be sure that you understand how your deductible is defined (per occurrence or illness, per individual or family).
- ◆ You may contact the Insurance Department's **toll-free automated Consumer Line at 1-877-881-6388** or visit the Web site to verify licensing status of a company.
- ◆ Explore **premium payment options.** Many companies, as well as the Pennsylvania Assigned Risk Plan, offer the convenience of installment payments for nominal administrative fees. Premium payments also may be financed. When selecting this option, carefully review the premium finance contract.

If you have questions or problems concerning your insurance, please call your agent. For unresolved problems or questions, contact the Pennsylvania Insurance Department's toll-free automated *Consumer Line* at **1-877-881-6388**. Consumers may also visit our website at www.insurance.pa.gov or any of our regional offices.

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