



MISSISSIPPI

Insurance Matters

Taking insurance matters from over your head to under control.

MISSISSIPPI
INSURANCE DEPARTMENT

MIKE CHANEY *Commissioner and State Fire Marshal*

Mississippi Insurance Department: "Insurance Matters" October 2013

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Members of the State Fire Academy Honor Guard pay tribute to fallen comrades at the annual Fallen Firefighters Memorial Ceremony on October 8, 2013.



Mississippi Insurance Department Sues Federal Government to Stop Flood Program Rate Increases

On September 26, 2013 the Mississippi Insurance Department filed suit in Gulfport in the United States District Court for the Southern District of Mississippi to try and stop the draconian rate increases proposed for the National Flood Insurance Program. The suit was filed on Mississippi's Gulf Coast, where rate increases threaten to bankrupt many Mississippi homeowners.

"Congress passed the Biggert-Waters act of 2012 and severe consequences are surfacing," Commissioner Mike Chaney said. "There is real conflict and reform is needed. Beginning October 1, 2013 some consumers will see rate increases of over 2000%. In granting approval, FEMA used older Base Flood Elevation maps and then in 2009 began to change the Base Flood Elevation Maps and Zones. This resulted in unanticipated rate increases for the few states that had been re-mapped. Today, many consumers face loss of their property due to the unjustified increases. Many of the new Flood Elevation Maps are riddled with mapping errors and consumers are required to pay for new elevation certificates to prove they are not in a flood zone."

The proposed rate hikes will affect millions of homeowners, not only in Mississippi, but across the country and are intended to repay the debt from catastrophes being carried by the National Flood Insurance Program and to make rates in the future actuarially sound.

"We've known for a long time that the flood program needed reform," Chaney said. "We know the program is deeply in debt, but it seems grossly unfair to place that burden directly on Mississippi homeowners who simply followed the rules and did what was asked of them after catastrophic events."

Chaney went on to note that The National Flood Insurance program has long been troubled. "Prior to passage of the two 2012 reform bills, Congress had renewed the NFIP numerous times for 30 to 60 days and sometimes let the authorization expire only to be renewed retroactively to comply with other federal laws," Chaney said.

Chaney said several areas need to be studied by FEMA before the proposed rate hikes are implemented. "FEMA says they have no discretion in the implementation of the BW-12 act. "Common sense needs to prevail," Chaney said. "The following things should be considered - accurate elevation maps; a reasonable way for consumers to challenge

maps; a reasonable phase in of actuarially sound rates after the studies are completed; voucher programs; enforcement of building codes for new construction; proper land use; the use of reinsurance; choices in deductibles and separate escrow accounts for premiums that Congress cannot raid.”

A copy of the lawsuit can be viewed here: [Official Complaint](#)

October is Fire Prevention Month



Reproduced from NFPA's Fire Prevention Week website, www.firepreventionweek.org. ©2013 NFPA.

State Fire Marshal's Office Reminds Mississippians to 'Prevent Kitchen Fires'

October 6-12 was National Fire Prevention Week October National Fire Prevention Month

JACKSON, MS – From October 6-12, the Mississippi State Fire Marshal's Office joined forces with the nonprofit [National Fire Protection Association \(NFPA\)](#) to remind Mississippians to [Prevent Kitchen Fires](#). During this year's fire safety campaign, fire services spread the word about the dangers of kitchen fires--most of which result from unattended cooking — and taught local residents how to prevent kitchen fires from starting in the first place.

The Mississippi State Fire Marshal's Office offered fire safety tips at their trailer next to the Trade Mart at the Mississippi State Fair through Sunday, October 13, 2013.

According to the latest NFPA research, cooking is the leading cause of home fires. Two of every five home fires begin in the kitchen—more than any other place in the home. Cooking fires are also the leading cause of home fire-related injuries. Since 2007 there have been 509 fire deaths in Mississippi, cooking was determined to be the cause in 66 of those fatal fires.

"Often when fire departments are called to a fire that started in the kitchen, the residents say that they only left the kitchen for a few minutes," Commissioner of Insurance and State Fire Marshal Mike Chaney said. "Sadly, that's all it takes for a dangerous fire to start. We hope that Fire Prevention Week will help us reach folks in the community before

they've suffered a damaging lesson."

Among the safety tips that firefighters and safety advocates emphasized:

- **Stay in the kitchen when you are frying, grilling, broiling, or boiling food.**
- **If you must leave the room, even for a short period of time, turn off the stove.**
- **When you are simmering, baking, or roasting food, check it regularly, stay in the home, and use a timer to remind you.**
- **If you have young children, use the stove's back burners whenever possible. Keep children and pets at least three (3) feet away from stove.**
- **When you cook, wear clothing with tight-fitting sleeves.**
- **Keep potholders, oven mitts, wooden utensils, paper and plastic bags, towels, and anything else that can burn, away from your stove-top.**
- **Clean up food and grease from burners and stove-top.**

Fire Prevention Week is actively supported by fire departments across the country. Fire Prevention Week is the longest running public health and safety observance on record. Fire safety messages were sent via Twitter [@msfiresafe](#) and [@MSInsuranceDept](#). The Mississippi State Fire Marshal can also be found on [Facebook](#).

A series of NFPA Cooking Fire Safety Videos can be found on the [Mississippi Insurance Department YouTube](#) page.



Chief Deputy Fire Marshal Ricky Davis hands out oven sticks and talks cooking fire safety with attendees of Senior Day at the 2013 Mississippi State Fair.

RE M I N D E R



HURRICANE SEASON 2013

BE SAFE. BE PROTECTED. BE PREPARED.

Remember to take proactive steps to protect your property from loss. The Mississippi Insurance Department (MID) offers tips and advance storm preparations for what has been forecast as a very active Hurricane Season. Below are helpful links on storm preparation information and tips.

[CLICK HERE](#)



COMMISSIONER SPEAKS TO OVER 200 JACKSON ROTARY MEMBERS ABOUT INSURANCE ISSUES.

SPECIAL NOTE: The 2013 MID Medicare Supplement Shopper's Guide is now available on the Mississippi Insurance Department

website.

2013 Medicare Supplement Shopper's Guide



2013 Medicare Supplement Shopper's Guide



Healthcare

Commissioner Mike Chaney and State Attorney General Jim Hood Warn Consumers to Lookout for Scams Regarding the New Federal Facilitated Health Insurance Marketplace

Jackson, MS - Commissioner Mike Chaney and State Attorney General Jim Hood are warning Mississippians to be aware of the con-artists that may emerge since the Federal Facilitated Health Insurance Marketplace (FFM) rolled out under the Affordable Care Act (ACA).

"We see scammers try to take advantage of such transitions, in this case hoping to take advantage of people who are not familiar with the nation's new health care law," said Attorney General Hood.

Starting October 1, 2013, if you are uninsured or buy your own coverage you can enroll for health insurance through the Federal Facilitated Health Insurance Marketplace for coverage beginning as soon as January 1, 2014.

"The Marketplace will allow you to compare and select plans," said Commissioner Chaney. "Although enrollment opened on October 1, there is no need to rush out to purchase a plan, take your time, get as much information as you can before making a decision as to the plan that best suits you and your family's needs. The federal government regulates and approves the plans for this marketplace. I would caution consumers purchasing through the FFM that they may be limited in their choice of

medical providers based on the insurance company networks.”

Scammers Taking Advantage.

Unfortunately, scammers will undoubtedly attempt to take advantage of consumers once the Marketplace takes effect. In some cases, criminals will try to collect personal or financial information. In other cases, unscrupulous sales people will try to sell “discount medical plans.” Those so-called discount plans may be insurance plans that really don’t save you money, or they may not be legitimate health insurance plans at all.

Medicare is not part of Federal Facilitated Health Insurance Marketplace.

If you are a Medicare beneficiary, you don’t need to do anything—you are considered covered. The Marketplace won’t affect your Medicare choices, and your benefits will not change.

Tips to Avoid Scams.

- The government will not call or email you to solicit enrollment plans. Your Marketplace options and additional information are available at www.HealthCare.gov or the Help Center at 1-800-318-2596.
- Anyone who claims they’re enrolling you for coverage through the Marketplace should be verified by contacting www.HealthCare.gov or the Help Center at 1-800-318-2596.
- Guard your personal information! If a caller claims they are with the government verifying personal information for a new government health insurance or Medicare card, hang up. (Medicare isn’t part of the Marketplace established by ACA, so you don’t have to replace your Medicare coverage with Marketplace coverage.) The information they may seek could include Social Security numbers or bank account information for “direct deposits.”
- Be wary of sound-alike government or company names, especially if they list a toll-free number other than the Help Center’s number: **(1-800-318-2596).**

Legitimate Sources for Information & Coverage Enrollment.

You can learn more about qualified health plans offer in Mississippi through the FFM through several sources:

Website: 

This is the federal government’s official Federal Facilitated Marketplace website. Here you can now get information, compare plans and coverage options, and you can enroll starting October 1, 2013.

Help Center: 1-800-318-2596: The Help Center is now open 24 hours a day, seven days a week. You can talk with a customer service representative, obtain the same information you’ll find on the website, and you can enroll for coverage beginning October 1, 2013.

Navigators: Navigators, who are government trained and certified, will help answer Marketplace questions, discuss eligibility and options, and prepare electronic and paper applications to establish eligibility and enroll in coverage through the Marketplace. On October 1, 2013, you’ll find Mississippi Navigators through the federal government’s website or Help Center (see above). **In Mississippi, there are only two approved Navigators: Universtiy of Mississippi Medical Center (Jackson, MS) and Oak Hill**

Missionary Baptist.

Certified Application Counselors: These counselors will perform many of the same functions as navigators, including educating consumers and helping people complete applications for coverage. Counselors might come from community health centers or other health care providers, hospitals or social service agencies. **On October 1, 2013, you'll find Certified Application Counselors through the federal government's website or Help Center.**

Agents and Brokers: State-licensed health insurance agents and brokers who meet Health Insurance Marketplace requirements may enroll individuals in coverage through the Marketplace. **Contact your local agent.**

For more information on this topic, go to www.HealthCare.gov or call the Federal Help Center at **1-800-318-2596**. Additional information may also be obtained at the Mississippi Insurance Department's website: www.mid.ms.gov. To file a complaint regarding a possible scam, contact the [Consumer Protection Division](#) of the Mississippi Attorney General's Office by calling: **601-359-4230** or **1-800-281-4418**.

Healthcare Terms

Grandfathered Plan — A health plan that an individual was enrolled in prior to March 23, 2010. Grandfathered plans are exempted from most changes required by PPACA. New employees may be added to group plans that are grandfathered, and new family members may be added to all grandfathered plans.

Lifetime Limit — Many health insurance plans place dollar limits upon the claims that the insurer will pay over the course of an individual's life. PPACA prohibits lifetime limits on benefits beginning with on Sept. 23, 2010.

Out-of-Pocket Limit — An annual limitation on all *cost-sharing* for which patients are responsible under a health insurance plan. This limit does not apply to *premiums, balance-billed* charges from out-of-network health care providers or services that are not covered by the plan. PPACA caps out-of-pocket costs at \$6,350 per individual and \$12,700 per family, beginning in 2014.



CLAIMS ACTIVITY REPORT SEPTEMBER 2013

Month of September 2013		Year-To-Date	
	# Claims Handled	# Claims Handled	Claims payments or premium refunds secured
Property and Casualty	645	6,576	\$129,411.79

Insurance			
Accident & Health (Includes A&H, PPACA, Medicare, and Misc.)	539	4,516	\$64,237.88
Life Insurance (Includes Life, Burial, and Misc.)	237	2,656	\$339,264.92
Totals:	1,421	13,748	\$193,988.93

A Special Kudo to Consumer Services Specialist Jay Pevey from Consumer Services Director Andy Case



Jay Pevey Consumer Services Specialist

September 19, 2013 - "As you know, what we do sometimes makes a big difference in a person's life. When a person calls into our office, often we are the last effort they make in trying to obtain help with an insurance issue. Often we can't assist a consumer in achieving what he/she wishes to achieve but when we have the opportunity to discover an error in how an insurance matter was handled, we can sometimes really make a difference in someone's life.

Today, Jay had a chance to do that. He was successful in obtaining a \$100,000 accidental death benefit for a consumer in Jackson who had originally been denied the claim on her child due to a material misrepresentation on a policy application. Had she never called this office, she likely would have accepted this claim denial and walked away with nothing. We all occasionally succeed in matters of importance like this so we should all celebrate on behalf of the consumer, during those times when we can make a difference in someone's life.

"Thank you for all you do."

Commissioner's Corner



Mike Chaney

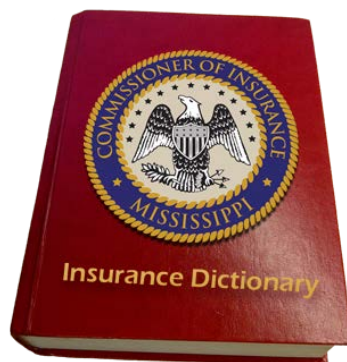
Insurance Commissioner and State Fire Marshal



Q: Why doesn't the Mississippi Insurance Department do something about the much higher rates now being charged for flood insurance?

A: The Mississippi Insurance Department and Commissioner have no authority or responsibilities over the National Flood Insurance Program (NFIP), which is administered by the Federal Emergency Management Administration. However, the department is currently taking legal action to try and delay or stop the proposed rate increases until there is time for further study.

Have an insurance consumer question for Commissioner Chaney? Email your question to info@mid.ms.gov and you might be featured in our next newsletter!



Insurance Terms of the Month:

Business Owners Policy (BOP) - A policy that combines property, liability and business interruption coverage for small to mid-sized businesses. Coverage is generally cheaper than if purchased through separate policies.

Declarations - The part of your policy that includes your name and address; the property that is being insured, its location and description; the policy period; the amount of insurance coverage and the applicable premiums.

Flood Insurance - Coverage for flood damage is available from the federal government under the National Flood Insurance Program but is sold by licensed insurance agents. Flood coverage is excluded under homeowners policies and many commercial property policies. However, flood damage is covered under the comprehensive portion of an auto insurance

policy.

REGULATOR 101.



The **Legal Division** consults with the Commissioner, Deputy Commissioner as well as technical and professional staff to ensure compliance with the laws of this state and Department rules and regulations. It represents the Commissioner, in receivers, liquidations and insolvencies of insurance companies, disciplinary actions against companies and agents, and in other legal matters. The Legal Division also serves as counsel for the Commissioner of Insurance, State Fire Marshal Division, Liquefied Compressed Gas Division, and the Mississippi State Fire Academy.

In 2012, the Legal Division handled 47 administrative licensure matters wherein the Department imposed fines and administrative penalties against insurance producers totaling \$27,500.00. The Division also participated with other states in regulatory settlements totaling \$768,951.04.

Mississippi State Fair 2013



Consumer Services Representatives were on hand to assist consumers at this year's Mississippi State Fair, October 2-13, 2013.



MARK YOUR CALENDAR

- **October** National Fire Prevention Month
- **October 6-12** National Fire Prevention Week
- **October 15 – December 7, 2013** Medicare Open Enrollment
- **October 17** Great Shakeout Earthquake Drill 10:17 am
- **October 20-26** National Teen Driver Safety Week: 'It Takes Two: Shared Expectations for Teens and Parents for Driving.'
- **October 30, 2013** Jackson Senior Health and Wellness Fair



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