



FACTS & FIGURES

IDAHO DEPARTMENT OF INSURANCE - APRIL 2016

GRANDMOTHERED HEALTH PLANS

Renewal Period Extended

Per guidance from CMS, non-grandfathered transitional plans (also known as “grandmothered” plans) will be extended through December 31, 2017. Health insurance policies that were purchased between March 23, 2010 - when the ACA was signed into law – and October 1, 2013, are considered grandmothered policies.

Health insurance plans that were purchased before all of the ACA regulations went into effect are not fully ACA-compliant. This extension means that these transitional plans will not be considered to be out of compliance with ACA market reforms.

To protect consumers, the Department has established some guidelines for their renewal:

- Grandmothered policies with renewals on or after August 1, 2016, will renew through December 31, 2017. This means that some plans will renew for longer than 12 months.
- Deductibles and out-of-pocket maximums must be allowed to accumulate on plans with plan-year deductibles in a manner that protects consumers from incurring additional deductibles or out-of-pocket maximums.
- Grandmothered policies must continue to comply with certain ACA provisions with respect to essential health benefits, pre-existing condition exclusions, waiting periods, and mental health parity rules.
- Carriers must provide notice at renewal informing individuals or small employers of renewal options, including plans on or off Your Health Idaho. The notice must state that some ACA market reforms are not included in the current plans.



The Department has issued a **bulletin** to health insurance carriers regarding this topic.

ASK THE DOI

Question: What is the difference between replacement cost and the actual cash value on my homeowners policy?

Replacement cost coverage pays to replace your home and belongings with materials of “like kind and quality” at current prices. Actual cash value policies reimburse the depreciated value: replacement cost minus depreciation = actual cash value. A replacement cost policy will usually cost more, and replacement cost coverage is not always available. Consumers should talk to their insurance agents or insurance companies about replacement cost versus actual cash value coverage for their home and personal items. Consumers should also ask if the insurance policy places limits on coverage for certain big-ticket items such as antiques, jewelry, silverware, and fine arts.

STATE FIRE MARSHAL

In March, presidential candidate Bernie Sanders made a last minute stop at Taco Bell Arena. State Fire Marshal staff worked closely with campaign managers, US Secret Service agents, and Taco Bell Arena staff to thoroughly evaluate occupancy load calculations, exit access, and crowd management. Thanks to their combined diligence, thousands of supporters attended the event with no difficulties.



A wind-driven, early afternoon fire completely destroyed a 4,600 square foot home on March 20. State Fire Marshal investigators worked jointly with the Canyon County Arson Task Force. The fire was determined to be accidental, triggered by discarded fireplace ash.

LICENSING

Idaho Intermountain Claims, an adjusting firm, requested that Licensing give a presentation to help adjusters navigate the new CE requirement. Barbara Mendiola walked the group through the DOI website resources including:

- Where to find the CE Course catalog for approved courses
- How to use the CE Transcript for tracking accumulated CE
- How to find adjuster courses or specific CE providers
- How to submit CE courses for approval

Adjuster groups interested in having this presentation should contact the CE Coordinator at continuing.education@doi.idaho.gov.

- In March, 1,692 new licensees were added, bringing the total number of licensees to 102,609.

COMPANY ACTIVITIES

Company Admissions received and processed 1,310 company filings that are required annually from insurance companies and risk retention groups licensed in Idaho. Orders continuing the suspension of certificates of authority were issued for Standard Life Insurance Company of Indiana, PMI Mortgage Insurance Company, and Lumbermen's Underwriting Alliance. One foreign company withdrew its application to be authorized in Idaho.



The analysts continue to review the annual financial statements for Idaho domestic insurance companies as well as the periodic financial reports due for Idaho self-

funded plans. Additional filings are due on April 1, May 1, and June 1 for insurance companies and risk retention groups.



**Consumer Services
March Statistics**

CONSUMER SERVICES

Zachary Ozuna-Wilber owned three vehicles, but did not keep all three insured at the same time. Instead, he rotated coverage on the vehicles depending on the one he was driving. In July, 2014, Ozuna-Wilber was driving an uninsured vehicle when he had a crash. After the accident, he called his insurance company and placed insurance on the vehicle. Thirty minutes later he reported the accident to the insurance company who in turn contacted the DOI.

Ozuna-Wilber claimed he switched the coverage prior to the crash, but DOI investigators discovered evidence that proved otherwise. He pleaded guilty to one count of insurance fraud and was given a one-year fixed, one-year indeterminate prison sentence. He was also ordered to pay restitution to the insurance company and the DOI.