



PA INSURANCE INSIGHTS

The Pennsylvania Insurance Department Newsletter

Volume 2, Issue 7 November 2016

In this Issue

Commissioner's Greeting	1-2
Housing Alliance Conference	2
Deer-Related Accidents	3
Mcare Savings	3
Recent Press Releases	3

A message from the Insurance Commissioner...

The coming administration transition in Washington could mean significant changes in health insurance, particularly for those who currently have coverage through the marketplaces established by the Affordable Care Act. Despite uncertainty in Washington, I can say that what will not change is Governor Wolf's and my commitment to helping Pennsylvanians find affordable health coverage. The implementation of the ACA and Governor Wolf's decision to accept the Medicaid expansion has aided in this by lowering our state's uninsured rate from 9.1% to 6.4%, and we are committed to continuing this trend under the next president.



as there are plans with lower premiums off-exchange in some areas of the state.

Affordable housing is also an issue for many Pennsylvanians, and federal flood zone remapping that occurred around the state is requiring some homeowners to purchase flood insurance for the first time. For much of this year, my department has been able to encourage consumers to consider the private market when shopping for flood insurance.

(continued on page 2)

Connect with Us!

 facebook.com/
PAInsuranceDepartment

 @PAInsuranceDept

You may contact the department at ra-in-Insights@pa.gov or through the contact form located on the homepage of our website.



A message from the Insurance Commissioner...

(continued from page 1)

This coverage can be more affordable than what is available through the federal government's National Flood Insurance Program (NFIP). This month, I spoke at a statewide conference on affordable housing about how we can make information about this option more available to consumers. I provided information to the government and private sector attendees about our one-stop flood insurance webpage, and I am looking forward to partnering with these dedicated professionals to help more Pennsylvanians find affordable coverage options to

protect their homes and property.

Governor Wolf's commitment to saving Pennsylvanians money through a more efficient government through the GO-TIME initiative continues to be a priority at the Insurance Department. Our Mcare program provides medical liability insurance for health care providers, and our staff is now able to bring in-house the work needed to set the rates charged to providers for this coverage, which will contribute to helping control administrative costs of the Mcare program.

Drivers and insurance companies are dealing with the annual issue of deer-related accidents. I issued a consumer alert reminding drivers they cannot be surcharged for a crash involving a deer, and urging drivers to be aware of the heightened danger during this time of year.

Thank you,

Teresa Miller
Insurance Commissioner

Commissioner Discusses Flood Insurance at Housing Conference

Rising premiums and changing maps, which are putting more homes in special flood hazard areas requiring owners to buy flood insurance, are impacting housing affordability in Pennsylvania. Commissioner Miller took that message to a statewide affordable housing conference, along with information about the Insurance Department's one-stop shop for flood insurance, which includes information on private market coverage which in many cases is less expensive than the federal government's National Flood Insurance Program (NFIP) product.

Speaking at the Pennsylvania Housing Alliance's annual Homes Within Reach Conference, Commissioner Miller related how she has heard from homeowners across Pennsylvania whose communities have been re-mapped into special

flood hazard areas by the Federal Emergency Management Agency, even though many have rarely or never experienced flooding.

If these homeowners have a federally backed mortgage, they are now required to have flood insurance. Over the past year, the commissioner directed staff to find ways to help these homeowners, and this led to learning that because

of this re-mapping, and rising NFIP premiums due to a change in federal law requiring the phasing out of subsidies for higher risk properties, private insurers are now entering the residential flood insurance market.

Insurance Department research has found that in many cases, comparable private coverage is significantly less expensive than the NFIP product. Since establishing the one-stop shop on flood insurance, 16 Pennsylvania licensed insurers and 40 producers selling surplus lines coverage, have signed on to the page. This information is available www.insurance.pa.gov, by clicking on "Flood" under "Insurance Coverage Resources."



Commissioner Miller discusses private flood insurance as a cost-effective option for consumers at the Pennsylvania Housing Alliance's annual Homes Within Reach Conference on November 14.

Mcare Contributes to GO-TIME Savings

Commissioner Miller recently announced that the Insurance Department is saving Pennsylvania residents an additional \$23,000 annually as part of Governor Wolf's GO-TIME initiative, which is aimed at finding ways to provide important services more cost efficiently. This effort is part of Governor Wolf's priority of creating a government that works for all Pennsylvanians.

The Insurance Department administers Pennsylvania's Medical Care Availability and Reduction of Error Fund, known as Mcare, which provides payments on behalf of Pennsylvania doctors and hospitals to patients who have been injured by medical malpractice. This means each year Mcare must calculate how much it needs to collect from

doctors and hospitals to cover these costs. The criteria for these annual payments is part of the Mcare law.

Previously Mcare paid outside actuaries \$23,000 a year to perform the calculation to determine the payments to be made by doctors and hospitals. This calculation is based entirely on Mcare's own data and a formula contained in the law.

Starting with this fall's calculation, which sets the 2017 assessment, Mcare brought this work in-house. This work was done with existing staff, so the move will save Pennsylvanians \$23,000 this year, and each year going forward.

For more information on the Mcare program, visit www.insurance.pa.gov/pages/Mcare.aspx.

Deer-Related Crashes

Pennsylvania drivers know to always be aware of deer on state roadways, but especially in the fall. Commissioner Miller issued a consumer alert reminding drivers of this danger. An annual national study recently released by State Farm Insurance found that Keystone State drivers are the third most likely to have a crash involving a deer, with the odds at 1 in 67.

This time of year, October through December, is the time when more of these crashes occur. It is deer mating season, and the animals are more active and often distracted. In addition, the end of daylight savings time means more drivers are on the road heading to and from work and school around dusk and dawn, times of the day when deer tend to be most active.

PennDOT reported that more than 3,600 deer-related crashes occurred in 2015. These crashes resulted in 639 injuries and six fatalities. The average cost of a deer-related crash is around \$4,000.

Commissioner Miller is also reminding drivers and insurers that under Pennsylvania law, surcharges cannot be added to drivers' policies due to a crash involving a deer. Also, such crashes are handled under a driver's comprehensive coverage, and any deductibles charged should be those that are specific to the comprehensive coverage. Many drivers carry a lower deductible under comprehensive than collision.

Click here to watch a recently held Facebook Live discussion on deer-related crashes with the Insurance Department and the Pennsylvania State Police.

Recent Press Releases

November 30 - PA Improves Ranking in Study of Workers' Comp Insurance Costs

November 22 - Insurance Commissioner Encourages Enrollment in 2017 ACA Plans

November 14 - Insurance Commissioner Discusses Benefits of Private Flood Insurance

November 2 - PID to Provide Info on Filing Flood Insurance Claims, Avoiding Repair Scams

November 1 - Insurance Commissioner Announces Beginning of 2017 Open Enrollment

October 27 - Guidelines on Parity in Mental Health and Substance Use Disorder Coverage

October 26 - Wolf Admin Offers Info on Filing Claims, Avoiding Scams Following Flooding

October 24 - PID Alerts Consumers About Service To Find Life Insurance Policies

October 20 - Commissioner Congratulates Mature Driver Safety Class

October 19 - Insurance Commissioner Testifies on Surprise Balance Billing

October 17 - Insurance Department Announces 2017 Affordable Care Act Rates

October 11 - Insurance Commissioner Honored at PA Breast Cancer Coalition Conference

October 4 - Insurance Commissioner & Secretary of Education Announce Insurance 101