

In this Issue	
Commissioner's Greeting	1
Meet Our New Staff	2
Senate Bill 293	2
Mature Driver Safety Class	3
Supreme Court Ruling	3
TNC Driver Advice	3
Consumer Case of the Month	4
Recent Press Releases	4

Looking to contact the Insurance Department? Email us at ra-insights@pa.gov.

A message from the Insurance Commissioner...

Although summer is here, the Insurance Department is keeping very busy.

At the end of June, the Supreme Court ruled in a 6-3 decision to uphold subsidies for those who purchase health insurance through the federal marketplace established by the Affordable Care Act. Because Pennsylvanians will still be able to receive subsidies, Governor Wolf withdrew our application to set up a supported state-based marketplace. As the governor said, this is a win for consumers, and we now continue reviewing proposed rates for 2016 to be ready for open enrollment November 1.

I reminded seniors this month of the state law mandating auto insurance premium savings for completing driver improvement classes approved by PennDOT.

Also in this issue, I am highlighting a Consumer Case of the Month, which will be a periodic feature of the newsletter. I hope this will spur proactive company and producer efforts to better protect policyholders. Specifically, I am concerned that people who have homeowners' policies cancelled or non-renewed have only ten days



to file an appeal with the Insurance Department and may, if not specifically told otherwise, think a call to their agent either takes care of the problem or stops the ten-day clock.

My continued thanks to all of you for keeping our insurance market in Pennsylvania strong and competitive and providing our consumers with good options to protect their families and property at reasonable prices.

Thank you,

Teresa Miller
Insurance Commissioner

Commissioner Miller Appoints David Buono as Consumer Liaison

The Insurance Department plays a critical role in protecting Pennsylvania's insurance consumers, which includes helping consumers make informed decisions about insurance and helping them understand how their coverage choices can affect their daily lives. In order to better complete this mission, the department is working hard to increase its outreach and education efforts.

Taking another step towards this goal, Commissioner Miller has appointed David Buono as the Insurance Department's Consumer Liaison. Buono will be the face of the Insurance Department to consumers and will play a major role in making sure the department is reaching consumers and helping them navigate the complex world of

insurance.

A Pennsylvania native, Buono returns from a number of years in Kentucky to lead the department's increased efforts to provide consumer outreach and communications. Buono will support the department's efforts to keep the

state's insurance market competitive, while focusing on helping consumers learn and understand their rights and responsibilities, what options are available to them when it comes to insurance products, and providing a place for consumers to get answers to their questions.

After graduating from Penn State, Dave began his insurance career in 1999 with the Progressive Group of Insurance Companies. He held a series of positions with increasing responsibility, in 2007 being named a regional manager in Kentucky. In this position, Dave worked with consumers, the insurance industry, and the Kentucky Department of Insurance.



Governor Wolf Signs Navigator and Assister Accessibility and Regulation Act

Governor Wolf signed Senate Bill 293 into law on June 19, creating the Navigator and Assister Accessibility and Regulation Act. This law, which was sponsored by State Senator John Eichelberger, requires the Insurance Department to register all navigators, assisters, and Certified Application Counselors operating within the state, aside from those employed by health care facilities.

Navigators and assisters help people buy health insurance through the federal marketplace established by the Affordable Care Act. About 472,000 Pennsylvanians currently have insurance through this marketplace.

The law contains consumer protections such as requiring background checks to make

sure no assister has a criminal background and has not had a producer license denied, revoked, or suspended in the past. The law also forbids assisters from performing certain activities currently handled by producers such as selling, soliciting, negotiating insurance, or collecting premiums; recommending specific policies or companies; initiating sales, making, or pro-

posing an insurance contract; recommending or initiating additions or deletions to a policy; or signing binders, endorsements, and insurance policies.

The Insurance Department is creating a database of assisters on the department website to help people find assisters in their area. The law also creates an enforcement process for the department to investigate and take action, including registration revocation, suspension or denial, issuance of civil penalties, cease and desist orders, and referrals to the state attorney general or federal Department of Health and Human Services, where appropriate.

The law takes effect next February.



Commissioner Miller Meets with Mature Driver Safety Class at Central Penn AAA

Pennsylvanians 55 and older have a chance to save some money and make our roads safer at the same time. That's because state law mandates a minimum five percent reduction in auto insurance premiums, when everyone on a vehicle policy is at least 55 years old, and has completed a mature driver safety class approved by PennDOT.

At a recent class run by Central Penn AAA in Dauphin County, Commissioner Miller congratulated the attendees for taking the time to become safer drivers, and thanked AAA for offering the sessions. Miller told the seniors in attendance, as part of the Wolf

Administration's focus on consumers, she wants to highlight these classes. She also told the class



Commissioner Miller congratulates and presents certificates to seniors who completed a mature driver class at the Central Penn AAA in Dauphin County on July 13.

members, as the state's top insurance regulator, she makes sure consumers who have completed these courses receive the auto insurance premium reductions to which they are entitled. Policyholders get the reductions for the next three policy years, beginning with the next policy period after the completion of the class.

PennDOT reported the number of highway deaths in 2014 on Pennsylvania roads was 1,195, the lowest total since recordkeeping began in 1928.

Visit PennDOT's website for a list of approved mature driver courses.

Supreme Court Rules 6-3 to Uphold Subsidies on Affordable Care Act Federal Marketplace

Last month the United States Supreme Court ruled 6-3 in *King v. Burwell* to uphold subsidies for people in states using the federal marketplace to provide health care under the Affordable Care Act.

This includes about 380,000 Pennsylvanians, and Governor Wolf hailed the decision as a win for consumers. The governor issued a statement supporting the high court's decision.

Governor Wolf had received conditional approval from the federal government to set up a supported state-based marketplace to protect consumers who rely on the subsidies to help pay for their health insurance premiums in case the court had ruled the other way. The governor has withdrawn this application.

The Insurance Department is continuing to review rate filings

proposed for 2016 by numerous insurers for both individual and small group coverage. Commissioner Miller said the impact of proposed rates on consumers will be a key consideration as her department continues its work. Rates for 2016 will be available prior to open enrollment, which begins November 1.

Commissioner Miller Urges TNC Drivers to Review Personal and Company Auto Insurance

Transportation Network Companies (TNCs), often called ridesharing services, are the new way to get around town. The Pennsylvania Public Utility Commission (PUC) has licensed Uber and Lyft to operate in Pennsylvania, outside of Philadelphia, and Yellow Z to operate in Allegheny County.

Commissioner Miller recently issued a consumer alert for TNC drivers to make sure they have the auto insurance coverage they need. Most personal auto insurance poli-

cies won't cover drivers when they are transporting someone for pay. While the PUC requires TNCs to provide coverage from when drivers turn on the app until they discharge their passenger, this coverage may be less than the driver's personal policy provides. Some TNC coverage is only for liability if someone is hurt in a crash, and not for comprehensive or collision damage to a vehicle.

TNCs are a new opportunity for drivers to earn extra money and

provide options for riders to get to their destinations, but Commissioner Miller wants to ensure drivers understand the coverages, limits, and deductibles that apply during various states of TNC activity and make sure they have adequate coverage. This consumer alert includes important questions for TNC drivers to ask of both their personal auto insurer and the TNC for which they drive.

Consumer Case of the Month

Commissioner Overturns Homeowner's Policy Cancellation

Commissioner Miller recently overturned the termination of a homeowners' insurance policy, ruling the policyholder's insurance agent led her to believe that because she had contacted him and he was investigating the situation, she did not have to file her cancellation appeal within the ten day period designated by law. Having reached the decision that the appeal could be considered, Commissioner Miller then ruled that the insurer's cancellation of the homeowner's insurance policy was unreasonable and in violation of Act 205 of 1974.

This case suggests the insurance industry should be proactive in helping their customers understand their rights to appeal a homeowners' policy cancellation or non-renewal. Additionally, insurers must be reasonable when inspecting, making recommendations, and taking actions against an insured for alleged hazards at a property.

History of the Case

A homeowner was notified of two hazards on her property. Immediately upon receiving the notice, the homeowner corrected one of the problems and relayed this information to her insurance agent's office. As for the second problem

(tree branches touching her property), the homeowner investigated and discovered that, in fact, the trees were located on a neighboring property and she did not know who owned the property. The homeowner notified her agent's office of this information as well.

The homeowner's information was not received by the insurer. Thereafter, the homeowner was notified her policy was being cancelled for failure to remedy what the insurer felt was an increased risk on the property. The homeowner called her agent upon receiving the cancellation notice, and at an Insurance Department hearing, testified her agent told her they could "work things out." The homeowner further testified that she was aware of the ten day limit and that she asked her agent whether she should file the appeal. She said her agent told her, "No, it will be okay."

The policy was cancelled. Immediately upon receiving the refund check from her insurer, the homeowner filed an appeal with the Insurance Department, taking this action six days after the deadline.

The Commissioner's Review

Commissioner Miller found that the policyholder reasonably relied

on the company agent's statements that the problem could be resolved without requesting review. The Commissioner also found that the policyholder immediately requested a review when it became evident that the problem could not be resolved and at all times acted reasonably. In such an instance, Commissioner Miller ruled if a request for review of a cancellation is received within a short time of the deadline, it will be deemed timely.

This case highlights the need for insurers and agents to make sure customers understand the law. If a policyholder contacts an agent or company concerning a cancellation notice, the policyholder should be specifically told contacting the agent does not guarantee this regardless of whether the insurer believes the problem can be solved and the policy continued, and the time for filing the appeal is not extended by contacting the insurer.

Part of the Insurance Department's job in fulfilling Governor Wolf's promise of a government that works is making sure companies cancel or non-renew homeowners' policies only for valid reasons, and not because of a misunderstood or even misleading action on the part of an agent.

Recent Press Releases

July 13, 2015 - Insurance Commissioner Congratulates Mature Driver Safety Class, Raises Awareness About Insurance Discounts

June 25, 2015 - Governor Wolf Issues Statement on King v. Burwell Supreme Court Ruling

June 24, 2015 - Insurance Department Urges Uber/Lyft Drivers to Ask Questions, Carefully Examine Personal & Company Auto Insurance

June 16, 2015 - Governor Wolf Receives Conditional Approval from Federal Government to State-Based Health Insurance Marketplace

June 11, 2015 - Governor Wolf Ensures All CHIP Plans Meet Federal Requirements, PA Families Will Not Face Tax Penalties