



# Consumer Advocacy and Medicare Update

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Office of Consumer Advocacy

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Our monthly newsletter addresses consumer insurance topics as well as timely information on issues affecting senior citizens in Louisiana.



Cenla Area Agency on Aging - Preventative Services Community Outreach  
Date: June 4, 2014  
Time: 10:00 a.m.  
Location: First Baptist Church Fellowship Hall  
302 EE Wallace Blvd., Ferriday, LA 71334

Cenla Area Agency on Aging - Preventative Services Community Outreach  
Date: June 25, 2014  
Time: 10:00 a.m.  
Location: First Baptist Church Fellowship Hall  
303 Chisum Street, Sicily Island, LA 71368

To find out if Consumer Advocacy will be in your area or to request a speaker for your organization or group, call (225) 219-0619 or send an email to [consumeradvocacy@ldi.la.gov](mailto:consumeradvocacy@ldi.la.gov)

If you no longer wish to receive

## Be Prepared for Hurricane Season

The Atlantic hurricane season began June 1 and lasts until November 30. Here are a few steps to take to ensure that you, your family, and your property are prepared and protected should a hurricane strike Louisiana this season.

First and foremost, review all insurance policies to ensure appropriate coverage and deductibles. Generally windstorm damage is covered under your homeowner's policy with a separate wind and hail, named-storm or hurricane deductible which typically ranges from two to five percent of the insured value of a property. The single season hurricane deductible law enacted after Hurricanes Gustav and Ike struck Louisiana back to back in 2008 lessens the impact you must bear when multiple storms cause damage to your insured property during a single storm season or calendar year. But you should be prepared for the expenses you will have to pay out-of-pocket in the event that your property experiences storm damage.

Next, look into flood insurance if you have not already. Losses due to flooding are not covered under typical homeowners and business insurance policies. If you already have a flood insurance policy, it is important to review the policy as you review your homeowner's policy to ensure adequate coverage. Remember, properties that are not located in high-risk areas can also flood. According to FEMA, approximately 25 percent of all flood insurance claims in Louisiana come from low risk flood zones. You can find out your flood risk by entering your address at [www.FloodSmart.gov](http://www.FloodSmart.gov), and click on "Assess Your Risk." Your insurance provider can also help you check your risk.

Also, take a home inventory. In the event that you have to file a claim this season, a home inventory allows you to have a list with photos and videos of all assets in your home. You can also download the free smart phone app [myHOMEscr.APP.book](#) provided by the National Association of Insurance Commissioners to help you document your valuables and store the information on your phone. If you do have to evacuate, take copies of your insurance policies and your agent's contact information with you.

For more information on insurance during hurricane season, you can go to the [Hurricane Resource Center](#) on the LDI's website [www.ldi.la.gov](http://www.ldi.la.gov) or call 1-800-259-5300.

For more information on flood insurance, please visit the NFIP's website at [www.floodsmart.gov](http://www.floodsmart.gov) or call 1-800-427-2419.

## The Basics of Boat Insurance

Here in Louisiana, warmer weather means days spent on the water with family and friends. If you own a boat or any personal watercraft it is important to make sure you are properly insured so that you and your friends and family can soak up the sun worry free.

this newsletter please send an email to the following address with "REMOVE FROM CONSUMER ADVOCACY MAILING LIST" in the subject line.  
[public@ldi.ta.gov](mailto:public@ldi.ta.gov)

When looking into purchasing a boat or personal watercraft, it is important to look at more than just the cost of the vehicle itself. There are several different factors that can impact the insurance your boat will need. If you're using a loan to pay for your watercraft most banks require you to carry insurance, which must be purchased during the loan application process.

Most homeowner's policies exclude insurance coverage for large watercrafts. To adequately cover your boat and its accessories, you should contact your agent to purchase a separate policy. The size, type, and value are important considerations when determining which boater's policy is right for you. It is also important to determine what type of water you will be using your boat on. Insurance on a boat used in fresh water is less expensive than a boat that will be used in salt water.

There are two basic types of boater's insurance: actual cash value or agreed value. Actual cash value may cost less upfront, but takes depreciation into account when paying a claim. This means you may not receive as much on a claim in later years. Agreed value generally costs more upfront but pays out according to an agreed upon price set when the policy was issued.

A comprehensive boat insurance policy can protect you if you injure someone with your boat or damage their property. The policy generally covers bodily injuries to others who you may injure with your boat, property damage for others property you may damage with your boat, guest passenger liability for any legal expenses incurred by someone using the boat with your permission, medical payments for you or your passengers, and theft.

You can also add coverage onto your policy for things such as towing or consequential damage for additional protection. Some physical damage exclusions that may not be covered under your policy include normal wear and tear, damage from bugs or animals, zebra mussels, mold, or defective machinery.

Many insurance agencies also offer discounts on boater's insurance policies for good driving records and boater education courses. These courses are a good idea regardless of insurance implications to help ensure that everyone has a safe and enjoyable day on the water.

## **What About Insurance When Changing A Job?**

When leaving your current job to start a new one or step out on your own, it is important to consider more than just your salary. Insurance benefits can have a huge financial impact on you and your family when switching jobs.

According to a 2014 NAIC survey, 40 percent of respondents cited "improve my financial situation" as one of the main reasons they were leaving their current job, second only to "reduce stress" with 51 percent. But as many new hires soon learn, it pays to consider more than salary when evaluating that enticing financial offer.

When considering the financial implications of a job change, 43 percent of respondents said they spent "significant time" thinking about salary. However, only 20 percent spent as much time on insurance benefits, and only 16 percent thought as much about insurance out-of-pocket costs during their job change assessment.

The survey further highlights how not paying attention to insurance implications can be costly. Nearly 25 percent of respondents said after making a job move, changes in insurance benefits and out-of-pocket costs either "slightly or greatly worsened" their overall financial situation.

To avoid surprises, consider the following before saying goodbye to a current employer:

- See if your current group life insurance plan has a conversion privilege. If so, you may have up to 31 days after leaving your job to apply for coverage.
- Find out if you can convert current group disability coverage into a portable disability plan that stays with you from job to job.
- If your job change includes a move, check your homeowners' policy to make sure personal possessions are covered in-transit. If not, consider a trip transit or floater policy.
- Insurance rates and coverage vary greatly from state to state. Before a move across state lines, contact your state insurance department so you know what to expect.
- Before accepting a new job, compare your current health plan with plans offered to assure the available mix of deductibles, co-pays and coinsurance will cost-effectively meet your needs.
- Find out if your new employer has a mandatory waiting period before health insurance coverage takes effect. More than 10% of NAIC survey respondents said their overall financial situation was worsened by issues related to "the effective date of new health insurance coverage."
- If you have children and anticipate a coverage gap, you may also look into government-sponsored programs such as Children's Health Insurance Plans (CHIP). These plans may provide coverage at low or no cost.
- Finally, if you're thinking of starting your own business and plan to use your personal car to make deliveries or visit clients, consider business auto coverage. If you're involved in an accident while conducting these tasks, most personal auto policies won't cover the losses.

Starting a new career can be an exciting time for anyone, but it is important to consider the new jobs from all angles before making any decisions. Taking additional time to review the insurance benefit package with a new company can save you money and headaches in the future.

## Stay Connected with the LDI

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