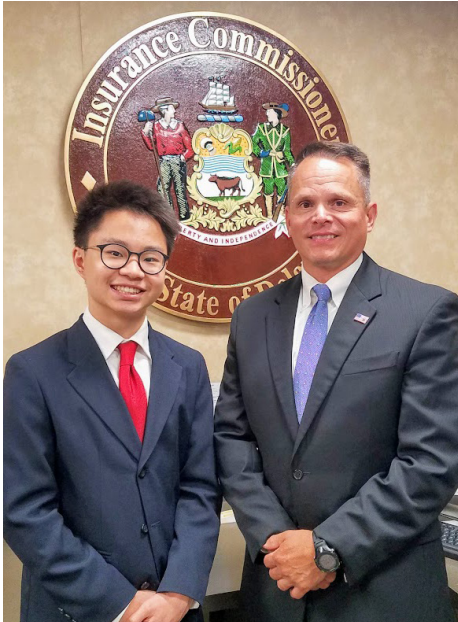


Insurance Matters

A Newsletter for Delawareans

Issue 4 - July 2019

The DOI Hosts Future Leadership



Evan Cheng of Caesar Rodney High School with Commissioner Navarro.

Over the course of two weeks in June, the American Legion and the American Legion Auxiliary held their annual **Boys State** and **Girls State** programs, respectively. The week long programs offer a select group of students from across the state nonpartisan political experience. Students participate in parliamentary procedure exercises, debates, campaigning, and elections. On June 11th, the Department of Insurance welcomed Evan Cheng of Caesar Rodney High School. On Wednesday, June 19th, the DOI hosted Girls State participant Ruhi Khan of Newark Charter School. Both were elected Insurance Commissioner by their peers.



Ruhi Khan of Newark Charter School with Commissioner Navarro.

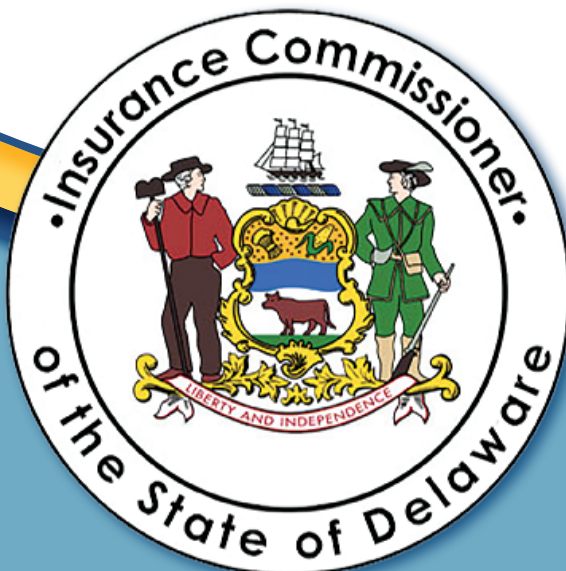
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Ask The Commissioner



Trinidad Navarro
Insurance Commissioner
Delaware Department of Insurance
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Dominion National Data Breach 95,000 Delawareans Impacted

The Delaware Department of Insurance recently received notice of a data security breach suffered by Dominion National, an insurer and administrator of dental and vision benefits. On April 24, 2019, through its investigation of an internal alert, Dominion National discovered that servers containing enrollment data, demographic details, and personal information of consumers,

plan producers, and healthcare providers may have been accessed by an unauthorized party. The investigation determined that the unauthorized access may have occurred as early as August 25, 2010. Dominion National advised the Department of Insurance that they responded immediately by cleaning the affected servers and initiating a comprehensive review of data stored on or potentially accessible from the servers.

Commissioner Trinidad Navarro stated, “Upon receiving notice of this breach, I asked that our market conduct division begin an investigation to learn all of the facts behind this incident. The Department of Insurance will determine if appropriate safeguards were in place, and if private consumer information was handled properly.”

On June 17, 2019, the comprehensive review determined that the potentially compromised information might include the following data: names, addresses, dates of birth, email addresses, Social Security numbers, taxpayer identification number, bank account and routing numbers, member ID numbers, group numbers, and subscriber names of what amounts to 10% of Delaware’s population. This number reflects those who are current or former members of Dominion National or of insurance plans administered through Dominion National. It is important to note that some affected by the data breach may not have had a plan through Dominion National, but had a plan for which Dominion National was the third-party administrator.

According to Dominion National, there is “no evidence that any information was in fact accessed, acquired, or misused.” The company has implemented enhanced monitoring and alerting software and is providing 2 years of free credit monitoring and fraud protection services for all individuals potentially impacted by the incident. Dominion National has posted a security notice online at dominionnationalfacts.com. Additional help and information can be obtained from the company’s dedicated incident response line at 877-503-8923. TTY/TDD users can call 844-261-6819. The dedicated incident response line is open Monday through Friday, 8 a.m. to 8 p.m.



How do I know if my identity is at risk?

Your data may have been compromised if you notice any of the following scenarios:

- You see unexpected withdrawals from your bank account
- You don’t receive your bills or other mail
- You’re billed for health services you didn’t use or your health plan rejects a legitimate medical claim.

Monitor your credit report regularly for unfamiliar account, new accounts you did not open, and negative items. **The Federal Trade Commission has an identity theft website to report incidents and develop a recovery plan: identitytheft.gov.**

The Delaware Department of Insurance's Move is Underway!

Preparations for the Department of Insurance's move from our current location in Dover's Silver Lake complex are underway! Our new location is just a few minutes away at 1351 West North Street, Suite 101. The new building increases the Department's footprint by approximately 3,500 square feet. In addition to the card readers employees and visitors have become accustomed to, building security gets a boost with a camera system. Additionally, parking for consumers



DOI's new location at 1351 West North Street

who visit the Dover location (and employees) will no longer be an issue as the new location has ample parking. Despite the increase in space and security, rent for the new location will be almost 30% less per square foot. The DOI will be 15 years into its lease before the cost of rent equals what we are currently paying at the Silver Lake location. With the exception of a few small and necessary purchases, the Department is also cutting costs by keeping existing furniture, office equipment and technology. The DOI will share a fiber line connection with the Delaware Historical Society, creating additional cost savings.

Storm Preparedness: Hurricane and Named Storm Deductibles

A deductible is the amount of loss paid by the policyholder before any loss is paid by the insurer. For most "perils" (such as fire damage and theft), the standard deductible is a flat dollar amount (e.g., \$500 or \$1,000). This means a policyholder would be responsible to pay the flat dollar amount out of pocket for a loss. In many coastal states, homeowners' insurance policies also include deductibles that apply only to damage caused by hurricanes. A hurricane, or named storm, deductible is applied separately from standard perils deductibles and is typically a higher dollar amount,

meaning a policyholder would be responsible for a larger portion of any loss. It can be expressed as a fixed dollar deductible or, more commonly, as a percentage of the home's insured value, which can vary from 1% to as high as 10%.



Although definitions vary, a hurricane deductible typically applies to damage solely from a hurricane as categorized by the National Weather Service or U.S. National Hurricane Center. A named storm deductible applies to a weather event declared as a hurricane, typhoon, tropical storm or cyclone by the U.S. National Weather Service, the U.S. National Hurricane Center or the U.S. National Oceanic and Atmosphere Administration, and where a number or "name" has been applied (e.g., Hurricane Andrew, Superstorm Sandy, etc.). Any loss must have been caused or resulted from the named storm event.

Name Storm Deductibles (con't)

Some policies also include a windstorm or wind/hail deductible. These usually apply to any kind of damage from a wind or hail event. For example, if a tree falls on a policyholder's roof on a windy day, the claim would be subject to the wind deductible. Flood damage, however, is covered only if a separate flood insurance policy was purchased, generally from the National Flood Insurance Program or from a private company.

Whether a hurricane, named storm or windstorm deductible applies to a claim depends on the applicable "trigger" selected by the insurance company. These deductible apply only if certain parameters spelled out in the insurance contract are met, which are often proscribed or limited in state law. While there are similarities among the state laws, no two laws are identical; triggers vary from state to state, as well as from insurer to insurer.

Nineteen states (Alabama, Connecticut, Delaware, Florida, Georgia, Hawaii, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Texas and Virginia) and the District of Columbia currently have some form of hurricane or named storm deductible in place. Other states may allow insurers to include hurricane deductibles in property insurance products.

Ask The Commissioner

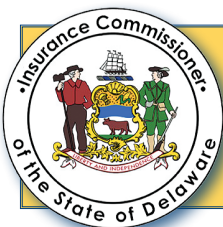


Trinidad Navarro
Delaware Insurance Commissioner

What is Identity Theft Insurance?

Falling victim to an identity theft is the modern nightmare. In addition to the emotional toll, the cost of reestablishing your identity and credit has the potential to be staggering. Identity Theft Insurance is out there and while it does not cover the monetary losses incurred as a direct result of identity theft, it can help cover the cost of the expenses related to reclaiming your financial identity such as attorney fees, documentation reporting and lost wages.

If you are considering Identity Theft Insurance, there are a few things you'll want to consider. First, you may be able to add identity theft protection to your homeowners policy for an additional fee. This may help you avoid purchasing a stand alone policy. Regardless of how you acquire the coverage, and as is the case with all insurance products, it is important that you understand precisely what you are paying for. Review policy limits. If the policy covers lost wages, understand to what extent and know what triggers this coverage. If the policy covers legal fees, be sure to find out if legal work needs to be pre-approved. As always, consider the deductible and remember that Identity Theft Coverage does not cover the direct monetary loss of identity theft.



Protecting Delawareans through regulation and education while providing oversight of the insurance industry to best serve the public.

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