



# Maryland

## INSURANCE ADMINISTRATION

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### **CONSUMER ADVISORY: IMPORTANT TIPS FOR REVIEWING YOUR INSURANCE COVERAGE**

**As of July 22, 2020**

Many consumers are looking for ways to save money on their expenses. One area where many people are trying to save money is on their insurance. It is a good idea to review your policies to make certain that you are not paying too much for your coverage or paying for a policy that you do not need. However, it is also important that you maintain appropriate coverage. Here are some general tips to help you as you review your policies.

#### **Automobile Insurance**

- Maryland law requires that all owners of automobiles purchase and maintain at least the minimum coverage for bodily injury liability, personal injury protection, property damage and uninsured motorist protection (For specific details about requirements, see, *A Consumer Guide to Auto Insurance* at [www.insurance.maryland.gov](http://www.insurance.maryland.gov) or contact us at 410-468-2000 or 800-492-6116 to obtain a copy.) Failure to maintain the minimum coverage will result in substantial fines from the Motor Vehicle Administration.
- Your insurer may cancel your policy for non-payment of premium even if your payment is only one day late. But the insurer must first provide you with 10 days advance notice of the date that the policy will be cancelled for non-payment of premium.
- You can take a number of steps to reduce your automobile insurance premium:

- Make sure that you are receiving all discounts the insurer offers (for example, multi-car discount; good grade discounts for students; accident free discounts.)
- Review your deductible – raising the deductible on your policy can decrease your premium.
- Consider whether you want to maintain comprehensive and/or collision coverage. If your vehicle is older and has been paid off, you may want to consider dropping these coverages since it will reduce your premium. However, it is important to know that if you drop these coverages and your vehicle is damaged in an accident that you cause, or if it is stolen, vandalized or hit by an animal, you must pay for the repair.
- Comparison shop – obtain quotes on a comparable policy (i.e. one that has the same coverage limits and types of coverage). Refer to our *Auto Insurance: A Comparison Guide for Rates* at [www.insurance.maryland.gov](http://www.insurance.maryland.gov) or contact us at 410-468-2000 or 800-492-6116 to obtain a copy.

## **Health Insurance**

- Make certain that you understand all of the “costs” (for example, deductibles, co-pays and coinsurance) and “rules” (for example, do you need a referral before you can see a specialist) of your policy. To find out more information, go to our website and review our health insurance brochures at: <https://insurance.maryland.gov/Consumer/Pages/HealthCoverage.aspx>.
- Comparison shop – obtain quotes on a comparable policy (i.e. one that has the same coverage limits and types of coverage). The Maryland Insurance Administration has a number of brochures that will help you shop at: <https://insurance.maryland.gov/Consumer/Pages/HealthCoverage.aspx>.
- Your insurer can cancel your policy for nonpayment of premium; however, under Maryland law, you have a grace period to make that payment. Contact your insurer before your payment is due to find out the details of the grace period.
- If you are considering purchasing a medical discount plan, make certain that you understand that this is not insurance, but instead gives you a discount for certain services at participating facilities. For more information on these plans, refer to *What Consumers Need to Know About Discount Medical and Discount Drug Plans* at [www.insurance.maryland.gov](http://www.insurance.maryland.gov) or contact us at 410-468-2000 or 800-492-6116 to obtain a copy.
- Both the federal and state government have several programs that may be available to you if you are having problems finding or affording insurance:

- Medicare (A federal health insurance program for people age 65 or older, people under 65 with certain disabilities and people of any age who have end-stage renal disease.)  
[www.medicare.gov](http://www.medicare.gov)  
800-633-4227
- Medicaid/Maryland's Medical Assistance Program (A government-funded health insurance program for people with limited income and people with disabilities who meet income-sensitive eligibility guidelines and other criteria.)  
<https://mmcp.health.maryland.gov>  
410-767-6500
- Maryland Children's Health Insurance Program (A government program for pregnant women and children up to age 19.)  
<https://mmcp.health.maryland.gov/chp/Pages/Home.aspx>  
410-767-6500  
To enroll, call the Maryland Health Connection at 1-855-642-8572.
- If you lose your health insurance because you lose your job, you should contact the Maryland Health Connection ([www.marylandhealthconnection.gov](http://www.marylandhealthconnection.gov) or 1-855-642-8572) to determine if you are able to obtain coverage through Maryland's Health Benefit Exchange. You may also have a number of other options available, including continuation of those health benefits under COBRA or Maryland's Continuation of Benefits law. (See *Health Insurance Options* at <https://insurance.maryland.gov/Consumer/Pages/HealthInsuranceOptions.aspx>.)

### **Homeowners Insurance**

- Make sure you are taking advantage of all discounts that are available (for example, multi-policy discounts, having a security system.)
- Consider increasing your deductible. Remember, the higher the deductible, the lower the premium. Before you change your deductible, check with your lender to make certain that the conditions of your loan do not require a specific deductible. Also, make certain that the deductible is an amount you can afford to pay if you do have a covered loss.
- Your insurer may cancel your policy for non-payment of premium even if the payment is only one day late. But the insurer must first provide you with 10 days advance notice of the date that the policy will be canceled for non-payment of premium.

- Even if your insurance premiums are included in your mortgage payment, you have the right to choose your insurer, so you may shop around to find a better rate.
- Your homeowners policy only insures the buildings and other structures on your property and the contents. It does not cover the land. Remember that your coverage amount is not related to the market value or the potential sale price of your home. The key is making certain that you have the appropriate amount of coverage to rebuild your home and replace the contents of your home.
- The cost to rebuild your home following a loss has continued to increase as materials, labor and debris removal costs have all increased. Thus, it is important that you continue to insure your home for the cost to rebuild and replace it in the event of a loss.
- Comparison Shop – obtain quotes on a comparable policy (i.e. one that has the same coverage limits and types of coverage). You can also refer to the MIA's *A Consumer Guide to Homeowners Insurance* and *Homeowners & Renters Insurance: A Comparison Guide for Rates* at [www.insurance.maryland.gov](http://www.insurance.maryland.gov) or contact us at 410-468-2000 or 800-492-6116 to obtain a copy.

### **Life Insurance**

- Before you decide to surrender or sell an existing life insurance policy, make certain that you carefully consider the tax consequences of the transaction and discuss this with a trusted financial advisor.
- Your insurer may cancel your policy for nonpayment of premium; however, under Maryland law, you have a grace period to make that payment. Check your policy or contact your insurer before your payment is due to find out the details of that grace period.

Reviewing your policies and comparison shopping can help you save money. But be sure that the policy you choose will provide enough coverage if you need it. When reviewing your policies, or comparison shopping, make certain that you are dealing with insurers and insurance producers (also known as agents or brokers) that are licensed to do business in Maryland. If you have a question, please contact the Maryland Insurance Administration at 410-468-2000 or 800-492-6116.