



**Illinois Department of Financial and
Professional Regulation**

NEWS

FOR IMMEDIATE RELEASE:
Dec 24, 2008

State Reminds Consumers to Avoid Insurance Problems During the Holidays

CHICAGO -- In an effort to continue protecting Illinois families, the Illinois Department of Financial and Professional Regulation (IDFPR) today issued tips to help consumers avoid common insurance problems. The Department encouraged consumers to review their auto, homeowner, health and insurance coverage, as well as credit card fraud protections, to prepare for changing insurance needs.

“As people travel and gather for the holidays, we want them to know of simple, practical steps they can take to ensure their insurance coverage provides them with what they need,” said Michael McRaith, Acting Secretary of IDFPR and Director of the Division of Insurance. “In this time of unprecedented financial uncertainty, we encourage Illinois families and consumers to prepare in advance for unexpected incidents.”

Below are suggestions for consumers to better prepare for incidents, and to ensure your insurance policy covers what you need:

- **Auto Insurance**

What if your relative gets into an accident while driving your car to a family gathering? As auto insurance coverage follows the vehicle, your car will generally have the same coverage whether you or a relative is driving. For example, if the car hits a patch of ice and slides off the road while your relative is driving, and you only have liability coverage, your policy would not cover damage to the car, no matter who was driving. Premiums also might increase due to the accident.

What if you drive someone else's car (with permission) to the store and you accidentally back into their neighbor's car parked across the street? The auto insurance policy on the borrowed vehicle would provide primary coverage in the event of a claim. If no coverage exists, your own auto insurance policy might provide coverage. Talk with your insurance

agent or company to determine whether your policy covers your operation of a friend or family member's car.

What if you decide to visit your extended family in Canada or Mexico? Will your vehicle enjoy coverage there? Most policies afford coverage while driving in Canada, but not in Mexico. Check with your insurance agent or company to determine whether your auto insurance coverage will apply outside the United States.

What if you loan your car to a family member and he gets pulled over for driving while intoxicated? Your automobile coverage will generally not be affected if another driver is simply ticketed for a driving violation. However, if the person to whom you loaned the vehicle has an accident while intoxicated, the company might not renew your policy or may charge a higher premium.

- **Homeowner Insurance**

What if someone breaks your car window in the mall parking lot and steals gifts from the back seat? Standard homeowner and renter insurance policies provide coverage for this kind of theft, subject to the policy deductible and coverage limits. Some automobile policies also provide coverage. If this happens to you, talk with your insurance agent or company to find out which policy covers the claim.

What happens if you invite a co-worker to your holiday party and she slips and falls on your icy driveway? Standard homeowner insurance policies provide limited medical coverage if your co-worker seeks medical attention. If the co-worker sues you for additional damages, your standard homeowner insurance policy should provide liability coverage. Check with your insurance agent or company to be sure you have adequate liability limits.

What if an ice or snow storm causes a tree to fall through the front window of your house? Standard homeowner insurance policies generally provide coverage for damage to the home — as well as the cost to remove the tree (generally up to \$1,000) — if the tree fell due to the weight of ice or snow. Check your policy to determine your deductible and other coverage limits. Your homeowner policy will not help you purchase a new tree.

What if someone steals presents from under your Christmas tree? Standard homeowner insurance policies provide coverage subject to the deductible and special sublimits for certain goods, such as electronics and jewelry. For example, if the wrapped package was a \$300 gift card to an electronics store, there might only be \$200 coverage; if the package contained \$2,000 worth of jewelry or furs, there might only be \$1,500 coverage; and if the package contained a silver-plated tea set, there might only be \$2,500 coverage. Standard condominium and renter insurance policies provide similar coverage. Check your homeowner policy for specific sublimits and talk with your insurance agent or company if you need to purchase additional insurance with higher limits for certain items.

What if someone steals the holiday decorations in your front yard? Under a standard homeowner insurance policy, decorations are generally covered, subject to the policy deductible and coverage limits. Condominium and renter insurance policies usually provide similar coverage.

What if your holiday candles cause a house fire? Under a standard homeowner insurance policy, your home and belongings will be covered if they are destroyed by fire, subject to your deductible and policy limits. Standard policies typically provide additional living expenses if you cannot live in your home due to the fire.

- **Credit Card Theft**

What if you lose your credit card and someone uses it to buy a big-screen television? Credit card theft might be covered as part of your credit card contract. Standard homeowner insurance policies typically provide up to \$500 of coverage toward any amount you may owe the creditor. However, coverage is not provided if a family member, entrusted with the card, buys a big-screen television. Federal law also limits a cardholder's responsibility as long as the issuer of the credit card is promptly notified in accordance with the terms and conditions of the cardholder agreement.

- **Health Insurance**

What if you end up in urgent care while out-of-state? Most health insurance policies that cover urgent and emergency care at home will cover the same care if you are traveling. If you plan to travel, take the health insurance information for all family members, including identification cards and contract details. Co-payments associated with urgent care visits are typically lower than co-payments for emergency room visits. Prior to leaving town, check with your insurance company about in-network healthcare providers at your destination. If you receive medical care from an out-of-network provider, you might be subject to higher out-of-pocket costs.

For all questions or concerns regarding your insurance coverage, please call the Illinois Division of Insurance at 1-877-527-9431 for health insurance questions and 1-866-445-5364 for all other inquiries. You can also visit the Division website at <http://www.idfpr.com/DOI/default2.asp>. For tips on how to choose the best coverage to meet your changing insurance needs, visit www.insureUonline.org.