

# Understand Insurance



You work hard to build a solid financial footing, so you want to be sure your assets are protected. Insurance provides financial protection against unexpected losses in exchange for a cost called a premium.

## What Kind of Insurance Might I Need?:

- Auto Insurance
- Homeowner or Renters Insurance
- Health Insurance
- Life Insurance
- Business Insurance
- Flood Insurance
- Short- & Long-Term Disability Insurance
- Travel Insurance
- Long-Term Care Insurance
- Pet Insurance
- Title Insurance
- Tuition Insurance

## You Don't Have to Be an Insurance Expert to Make Good Buying Decisions

If you can comparison shop for cars, home computers, or washing machines, you can shop around for the best insurance. Here are some things to keep in mind:

1. You can easily find price information and quotes online or by talking to an agent.
2. It's important to understand the coverages you need and want. That way, when you compare prices, you are comparing apples to apples.
3. Above all, don't be afraid to ask for explanations of anything you don't understand. Good agents and customer representatives should welcome your questions.
4. Finally, cost is never the only factor in choosing a policy. Quality and convenience of service make a difference, as well as the reputations of companies and agents. Not all insurers offer the same coverage.

## Where Do I Buy Insurance?

No matter where you buy insurance, buy only from a licensed individual or company. To legally sell insurance in Vermont, agents and companies must be licensed with the State. This process safeguards consumers by making sure that applicants have met basic financial and background requirements. Just because a company advertises on the Internet does not mean it is licensed to do business in Vermont.

To find out if an agent or company is licensed, or to look up the financial rating of a company, contact the Department of Financial Regulation by calling (800) 964-1784.

### Buying Through an Agent or Broker

An independent agent represents a variety of insurance companies. An exclusive agent represents only one insurer or a group of related insurers and agrees to place all or most of their business with that one company or group. Part of an agent's job is to offer advice and service, so don't be timid about questioning anything you don't understand.

### Buying Directly From a Company

You can buy insurance directly from a company. Such companies advertise by telephone, mail, radio, TV, or Internet. When you buy direct, sometimes the price can be lower due to the absence of an agent or broker commission. However, you may need to be a little more assertive about getting answers to your questions.





## How Can I File a Complaint About an Insurance Company, Agent, or Broker?

The Vermont Department of Financial Regulation regulates all insurance companies, agents, and adjusters doing business in Vermont. The department assists with consumer insurance complaints related to auto, homeowners, life, annuity, major medical, dental, long-term care, Medicare supplemental insurance, and other types of insurance coverage.

If you wish to discuss or need help filing an insurance complaint, email [dfr.insuranceinfo@vermont.gov](mailto:dfr.insuranceinfo@vermont.gov) or call **800-964-1784**. You may also file a complaint online (<https://dfr.vermont.gov/consumers/file-complaint/insurance>) or submit a complaint by mail or fax.

## Need Help? Start here:

Vermont Department of Financial Regulation  
[https://dfr.vermont.gov/consumers/explore\\_insurance](https://dfr.vermont.gov/consumers/explore_insurance)  
(800) 964-1784

National Association of Insurance Commissioners  
<https://insureonline.org>

### Be sure your insurance keeps up with life's changes

Today's households vary in complicated ways, but we all deal with questions about insurance. As your life changes, work with your insurance professional to make sure your insurance coverage is appropriate for your needs.

**New Car:** When purchasing auto insurance, it may be helpful to obtain multiple quotes to compare different companies' products and pricing. Note that many factors may affect your auto insurance rate, including your driving record, geographic area, vehicle use, vehicle make and model, even your gender and age. Ask your agent whether you qualify for any discounts such as multiple vehicles on your policy, use of safety and anti-theft devices, or combining home and auto packages. If you have a current auto insurance policy and are purchasing another vehicle, be sure to contact your insurance agent or company to add that vehicle to your policy. If you do not have current insurance, be sure to purchase a policy prior to taking your new vehicle home.

**New Baby:** When bringing a child into your home, proper planning can help ease the transition. Review your health plans, pay attention to coverage limits related to pre-natal and neo-natal screenings, emergency delivery procedures, and extended in-hospital care. Be aware that most health plans have a deadline for registering your newborn. And if you're considering adopting or becoming a stepparent, consult your current health insurance provider about adding a child to your coverage prior to accepting legal guardianship.

**Job Change:** Before accepting a new job, compare your current health plan with plans offered by your new employer to assure the available mix of deductibles, co-pays, and coinsurance will cost-effectively meet your needs. Find out if your employer has a mandatory waiting period before health insurance coverage takes effect. If so, consider a short-term plan through Vermont's health insurance exchange to cover the gap. See if your current group life insurance plan has a conversion privilege.

**New Home:** Home insurance is important for both homeowners and renters. Homeowners need to purchase insurance to protect their homes and personal property. Renters also need insurance to protect the contents of their rental unit. Everyone needs protection against liability for accidents that injure other people or damage their property. Also consider purchasing flood insurance as homeowner's policies do not cover for any damages caused by flood.

**Getting Married:** If you have just married or will soon, you are likely facing some complex insurance decisions. Getting smart about the insurance implications of combining lives and households can help you secure "happily ever after," and perhaps even save money. To avoid misunderstandings, it is important for couples to have a pre-wedding discussion to address topics such as auto, home, health, and life insurance.

**Seniors and Grandparents:** As you grow older, you should review your insurance coverage and eligibility for discounts. For example, discounts may be available if you limit the amount of driving you do. As your children leave home, you can also remove them from your policy. Consider taking a senior driving refresher course, such as AARP's 55Alive or a program run by the National Institute of Highway Safety or AAA. If you are driving an older vehicle not worth much in current book value, consider dropping collision insurance.