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Alaskans Encouraged to “Get Smart About Insurance”

The Alaska Division of Insurance wants you to know more when buying insurance — don’t get fooled

(Anchorage) — Each month, without fail, the bills arrive — home mortgage, car payment, student loans. Usually the largest bills cover those items that mean the most to us — the assets we spent the most time contemplating before purchasing. But what about insurance? Strangely enough, insurance is often one of the most costly bills we pay each month — but, the one we think little about. That is why the Alaska Division of Insurance is asking you to take time to learn more during “Get Smart About Insurance Week,” January 24–28, 2005.

“When it comes to insurance, knowledge is the best policy,” says Linda Hall, Director of the State Division of Insurance. “It just doesn’t make sense to ignore it, especially when it constitutes such a large portion of most household budgets. Too often people buy an insurance policy and then forget about it — or they don’t make any changes to it over the years until it’s too late. Get Smart About Insurance Week is all about education.”

It can be downright dangerous and actually cost consumers more to not pay attention to their insurance policy, considering the rise in fake insurance policies being sold today. The General Accounting Office reported 144 fake health insurers sold bogus policies that affected more than 200,000 policyholders between 2000 and 2002, resulting in $252 million in unpaid claims. In the same time period, the number of fake insurers almost doubled.

Also, recent studies by the National Association of Insurance Commissioners (NAIC) show a definite trend: the majority of Americans just do not know enough about their own policies. No more than 33 percent of those polled each year since 2001 could say they understood the details of their insurance policies.

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During this special week, consumers are urged to call the Alaska Division of Insurance at (800) 467-8725 or (907) 269-7900 or visit our web site at http://www.commerce.state.ak.us/insurance to request a free brochure on what how to avoid fake insurance or whether a policy is legitimate. The Division serves as objective source of information, which can help consumers understand the complexities of insurance coverage.

“Information is the key to avoiding insurance problems and scams,” says Commerce Commissioner Edgar Blatchford. “The NAIC and the Division of Insurance are here to give consumers free and objective information in order to make sure their families are properly and legitimately covered.”

**Fighting fake insurance**

Fake insurance is any insurance plan intended to defraud consumers or businesses. It can be attractive because it is typically less expensive than legal policies. But that is because a fake policy does not provide sufficient — if any — coverage. As a result of fake insurance policies, honest people and businesses are swindled, health is endangered, premiums stay high, and goods and services cost more.

Because of the growing number of fake insurers and fraudulent policies, during Get Smart Week, NAIC and the Division of Insurance urge consumers to **Stop, Call, and Confirm** before buying any policy, in order to avoid an insurance scam. By simply stopping, calling the Division, and confirming if a company is legitimate, consumers can avoid the potential loss of thousands of dollars, which can result from signing a fake insurance policy.

**Recent study finds room for improvement**

To gauge Americans’ understanding and perceptions of their insurance coverage, telephone surveys of 1,000+ adults who are 18 years and older were conducted over the past three years (2001–2003) by the national research company OCR International.

Although the number of people who think they have the right amount of insurance is increasing over time, the number of consumers who say they understand the details of their coverage “very well” has not increased. In fact, it has stayed consistent at 33 and 34 percent over the past two years.

**“Get smart” tips for consumers**

During Get Smart About Insurance Week, consumers are encouraged to take several steps to become more educated about their insurance coverage.

“We strongly encourage consumers to shop around before they commit to a policy,” Hall says. “Plenty of information is available for Americans to make smart choices about their insurance. We also can’t stress enough the need to confirm the legitimacy of a policy before moving forward — in today’s age of fake insurance policies, this has become a crucial step in getting educated about insurance.”
Other tips from the Division of Insurance include:

- Fight fake insurance by remembering to Stop, Call, and Confirm before signing up for any new policies.
- Call the Division of Insurance or visit their Web site for free tips and up-to-date information prior to purchasing health, life, auto, home, or other insurance coverage.
- Schedule a routine “check-up” with your insurance providers at least once a year. Inquire about the cost benefit of opting for higher deductibles.
- Ask specifically about discounts for good driving records, good health, good grades, special education, or training.
- Shop around for identical products and services. Not every company charges the same rate.
- Remember an insurance policy is a legal document. Read it carefully.

All consumers should visit [http://www.commerce.state.ak.us/insurance/GetSmart/GetSmartAboutInsurance.html](http://www.commerce.state.ak.us/insurance/GetSmart/GetSmartAboutInsurance.html).

For more information, contact the Alaska Division of Insurance at (800) 467-8725 or (907) 269-7900.

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