Oregon
insurance rights for consumers

- Advocate for yourself
- We can help

Insurance Division

DEPARTMENT OF CONSUMER & BUSINESS SERVICES

Things you can ask for ...

Get it in writing

Insurance is regulated by contract law. There are very few statutory rights for insurance buyers, meaning that most of your rights are written into the insurance policy itself, not granted by state or federal law. Before you buy, tell your agent what consumer rights you want in your policy, and then ask your agent to show them to you in the policy itself. The basic rule of thumb is: **If it's not in writing, it doesn't exist.**

This brochure describes some of the important **consumer rights that are protected by law**:

Nondiscrimination

Consumers have the right to buy insurance regardless of their race, color, religion, or national origin. If you experience this kind of discrimination by an agent or a company, contact the Oregon Insurance Division to file a complaint. See Filing a Complaint on the back of this brochure.

Companies may deny, refuse to renew, limit, or charge more for insurance because of your age, gender, marital status, or disability or partial disability if there are statistically sound reasons for it; this is called *underwriting*. Companies underwrite differently, so if you don't like one company's response, consider asking other companies for a rate quote.

Free look

For some new policies, insurance companies offer a full premium refund if they are canceled within the *free-look* period.

For long-term-care insurance and Medigap insurance (Medicare supplement insurance plans *A* through *J*), state and federal law require a **free-look period of 30 calendar days** after enrollment.

Life, health, and disability insurance policies may come with a free-look period of 10 to 20 days. The best way to find out whether a policy has a free-look period is to **ask your agent to show you the free-look clause** in the policy itself.

To receive your full premium refund, write a letter to the insurance company stating that you are canceling your policy within the free-look period and that you want a full refund. Sign and date it, keep a copy for yourself, and send the letter to the company within the free-look period. (Don't give it to your agent.) The company must send you a refund within a reasonable amount of time, usually three or four weeks, and may request that you return the policy itself. If you do not receive your refund, call your agent, the company, or contact the Oregon Insurance Division to file a complaint. See Filing a Complaint on the back of this brochure.

Rights if canceled

Some policies state that they are "guaranteed renewable." This means that the insurance company may not cancel your policy unless you fail to pay premiums on time, it is discovered that your insurance application contained an intentional error, or if you commit insurance fraud. Any policy that is "guaranteed renewable" cannot be canceled for other reasons.

Insurance policies may contain other cancellation clauses. Ask your agent to explain when and how a particular policy might be canceled or rescinded.

If your health insurance through your employer or your spouse's or ex-spouse's employer is canceled, you may have a right to pay for and keep that health coverage under **COBRA, state continuation, or portability** laws. Employers are required to inform enrollees of these rights. Ask the employer's personnel officer for information

or see the publication, *Consumer Guide to Health Insurance*, available on our Web site: www.oregoninsurance.org. If the employer does not provide this information, see Filing a Complaint on the back page of this brochure.

Fair-claims settlement

If you file an insurance claim with either your agent or company, the insurance company is allowed to investigate your claim, and you are entitled to a response within a reasonable amount of time, usually 45 days for property and casualty claims. Health insurers must pay, deny, or ask for more information to process a claim within 30 days of receiving the claim.

Before denying any claim, the law requires the company to conduct a reasonable investigation if the claimant cooperates with the investigation.

For auto and homeowner claims, you have the right to hire the repair company of your choice. However, insurers may refuse to pay the full cost of repairs if they can show that the work could be done elsewhere for less. Before hiring a repair company, get a cost estimate and ask your insurer to preauthorize payment for it.

If you and an insurer disagree about the amount payable for your auto or homeowner's claim, you can use the policy's appraisal clause or ask for binding arbitration. If you do this, you and the company each pay for your own appraisal and then share the cost of hiring an umpire or judge to decide the fair amount to be paid for the claim.

Appeals

Companies must reconsider a denied claim if the consumer asks for an appeal. Insurers usually offer two or three levels of internal appeal, followed by an external review or arbitration. Some denied claims are overturned on appeal. In general, always appeal insurance denials. Your policy or benefits handbook should explain appeal procedures. You must follow the company's written procedures in order to exercise your right to an appeal. There may be a limited amount of time, usually six months, in which to file an appeal. If you wait too long, you may lose your right to appeal.

External review of medical denials

Insurance companies sometimes choose to use external reviewers to decide disputes about coverage. If your health insurer denies your claim at all levels of internal appeal, you may ask your insurer to send your appeal to *external review*. If your insurer is a comprehensive health benefit plan licensed in Oregon (not a self-insured employer), under some circumstances you have the right to a free external review by a panel of medical experts separate from the insurance company.

If the company denied your claim stating that the procedure is not medically necessary or is experimental or investigational, you may ask the company for an *external review*. The company will refer your request to the Oregon Insurance Division, which will randomly assign your case to one of the state-certified independent review organizations (IROs). The IRO will review your medical records and make a decision to uphold or overturn the company's denial of that procedure within 30 days of your request. If your health is too fragile to wait 30 days, your doctor may request a *three-day expedited review*.

For more information on external review, see www.oregoninsurance.org/docs/consumer/exreview/external_review_info.htm.

Access to doctors

If you are in a managed-care plan or health-maintenance organization (HMO) that restricts your access to specialists, you may ask your specialist to authorize a **standing referral**. Your specialist submits a standing referral request to your insurer stating the medical reasons that you need a certain number of visits with this specialist.

If your doctor or specialist leaves your HMO but continues to practice medicine, you may ask that doctor to request **continuity of care** for you. If the insurer grants this request, you will be allowed to continue seeing your doctor for a maximum of 120 days at the insurer's expense. If the insurer denies your request for continuity of care, you may appeal and ask for an external review (see previous panel). Pregnant women may request continuity of care with their obstetrician if they are in their second or third trimester of pregnancy.

Filing a complaint

The Oregon Insurance Division helps solve insurance problems. Our consumer advocates work as go-betweens, investigating and resolving complaints against insurance companies and agents. To access this free service, please file a consumer complaint online at www.oregoninsurance.org or call (888) 877-4894, toll-free, to request a complaint form.

Consumer Services Section

(503) 947-7984 or
(888) 877-4894 (toll-free in Oregon)

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dcbs.insmail@state.or.us

Visit our Web site:
oregoninsurance.org

440-2884 (3/04/COM)