

DIRECT

Health Care Reform: What Affects Premium Costs?

As we approach the New Year, you may wonder how the Affordable Health Care Act (ACA) will impact you and what you need to do to prepare for 2014. For some, there may be minimal differences and they will follow the same procedures as during previous enrollment periods. However, there are some basic things to understand about health care reform as it relates to individuals, small employers, and businesses that you should consider.

Prior to the ACA becoming law, it was common for insurance companies to vary the price of premiums based on things like demographics, health status, and past insurance claims. Beginning January 1, 2014, health insurance companies offering coverage to individuals and small employers may only be allowed to vary premiums based on age, family size, geography, and tobacco use.

Health insurance plans are allowed to adjust premiums based on the following factors only:

Age — Rates can vary based on age but insurance companies may not charge older people more than three times the rate they charge younger people. Older adults are defined as persons aged 64 and older. Younger persons are considered people between 21 and 63 years of age.

Family Size — Insurance rates can vary based on who is enrolled in the plan. There are different rates charged depending on whether the plan will cover only an individual or a family. There may also be different family rates depending on the number of people covered (such as individual and spouse or individual and children).

Health status, past insurance claims, gender, occupation, length of policy held or size of the small employer can no longer factor in determining premium price in 2014!

Geographic Area — In areas where medical costs are high, insurance companies will be permitted to charge more. Because there are many complex variables involved in determining this, it is best to consult your employer or health plan representative to find out the rate where you live.

Tobacco Use — If you use tobacco products, insurance companies will be allowed to charge up to 50% more in premiums for smokers than for non-tobacco users.

Other factors determining health care premiums are wellness programs and market size plans. If you opt not to participate in a wellness program or meet specified health goals such as losing weight or quitting smoking, the ACA permits employment-based health plans to charge employees between 30% – 50% more on their premiums. What about market size? These new premium guidelines restrict only those in the individual and small business markets. Small businesses with fifty or fewer full-time employees are required to provide essential health benefits under ACA.

These profound changes ushered in by the Affordable Care Act are probably the largest and most sweeping alterations to the U.S. health care system in fifty years. Be sure you, your family and your business are positioned to best manage your health care options.

PERSONAL PROPERTY DID YOU KNOW?

The standard homeowner policy for your personal property only provides coverage for 16 named perils (causes of loss) such as fire and wind. If not already included in your policy, you should consider upgrading your coverage to special personal property. Coverage is no longer limited to the 16 named perils and this enhancement provides coverage for your personal property unless there is a specific exclusion listed in the contract such as breakage and wear and tear. In addition, watch out for those special category items found in all policies which will limit the amount the insurance carrier will pay for stolen personal property such as jewelry, watches, silver, furs and firearms. Only some insurance carriers provide coverage for mysterious disappearance and/or lost items.

In order to provide adequate coverage for jewelry, watches, furs, fine arts, and/or antiques it is recommended to schedule or specifically list these items on your homeowners policy.

- Have your valuable collections, antiques and art collections professionally appraised to establish fair market value and replacement costs. It is recommended that your items be re-appraised every three to five years.
- Keep copies of appraisals, photos and/or videos of valuable articles in a safe deposit box.



Compliance and PA Insurance Laws

Your Personal Information IS Private

As a financial services company, Arthur Hall Insurance is subject to privacy laws regarding the collection and exchange of client information. Our Privacy Policy is included with this newsletter.

Renewal Letters... Premium Increase?

Have you ever received a letter mentioning an undetermined premium increase? Although there generally are only a small percentage of renewal changes, carriers do this to comply with the PA law that requires 60 day notification of any premium change.

Faces in the Hall

Chuck Panetski, CPCU, CLU, ARM

With more than thirty years experience in the insurance industry, Chuck expertly builds client and insurance carrier relationships with ease. Directing commercial lines of business primarily out of the Delaware office, Chuck has recently been named Senior Account Manager, Commercial Lines. Having earned an MBA from the Rochester Institute of Technology, Chuck further distinguished himself by earning professional insurance industry designations of Chartered Property Casualty Underwriter, Chartered Life Underwriter, and Associate in Risk Management. Chuck lives in Delaware and loves spending time with his family and two grandchildren.



Kayce Alford, CPCU

Hailing from the South, Kayce has made the Philadelphia area her home since 2003. A graduate of the University of South Carolina with a degree in Business Administration majoring in Finance and Insurance and Risk Management, Kayce has recently been promoted to the position of Senior Account Manager. She holds the insurance industry's premier professional designation of Chartered Property Casualty Underwriter and has over ten years experience in the Commercial Insurance business. This past August, Kayce and her husband welcomed baby girl, Caroline Grace, into the family.



THERE'S AN APP FOR THAT!

Did you know that The American Red Cross has disaster apps for smartphones that can help you in an emergency? Mobile phone apps can help you prepare for severe weather, monitor conditions in your area, prepare your home and family, find help and let others know you are safe. Tornado, hurricane, wildfire, earthquake, first aid and a shelter finder app are all available by calling

****REDCROSS (**73327677)**

from your mobile phone. You will be sent a link to download the requested app to your iPhone or Android device OR download them directly from the iTunes or Google Play app stores.

The apps are free and some include preloaded content that gives users instant access to critical action steps even without mobile connectivity or internet access.

Hopefully, you will not incur damage in the event of a weather emergency. If you do, be sure to contact your Arthur Hall Insurance representative, as soon as possible, to activate your claim. You can do this by going to our mobile website at m.arthurhall.com.



Arthur Hall Insurance Consultants

James S. Denham, CPCU, CIC
Glenn D. Burcham, CIC, CRM
Nicole C. Grebloskie, CIC, CISR
Mark D. Sammarone, CIC, CISR
Karen L. Leary, CIC, CISR

Kayce M. Alford, CPCU
Edward R. Blake, CPCU, CIC
Marie F. Clucas, AIC, CISR
Virginia R. Glassman, CISR
Robert G. Hackett, Jr., CIC
Gloria M. Mastrangelo, CISR
Elaine S. McDonald, CISR
Charles E. Panetski, CPCU, CLU, ARM
Tracy S. Sammarone, CIC, CISR
Diana Dion
Christopher M. Keefer
Jonathan Koegel
Carol H. Panetski
Karin E. Ricciardi
Eric C. Rosle
Carol A. Starr
Thomas W. Van Grofski

Industry-Leading Solutions with Hometown Service

Thank you for voting us the
#1 Insurance Firm in Chester County



101 E. Chestnut St., PO Box 512
West Chester, PA 19381-0512



PRSR1 STD
U.S. POSTAGE
PAID
LANCASTER, PA
PERMIT #453