



Kansas Insurance Department

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Commissioner's Corner

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by Sandy Praeger

Fall is the perfect time to get your insurance rates in shape

TOPEKA, Kan. — As we move into fall, there's no better time to understand how your lifestyle could affect your insurance policies. Diet and exercise are ideal ways to maintain a healthy lifestyle, but as Kansans weather the national economic downturn, it has become even more important to keep a healthy budget.

Fortunately, balancing your budget and staying healthy can go hand-in-hand. The Kansas Insurance Department (KID) and the National Association of Insurance Commissioners (NAIC) offer the following tips on how a healthy lifestyle may lower your insurance premiums while lowering your risk of health concerns. We have offered these commonsense tips for many years — because they make a difference in the money consumers can keep in their wallets.

With the current national debate on health reform, however, some of the items below could change. But until new legislation is hammered out that would affect them, these ideas are worth considering.

How can your health or lifestyle affect your insurance premiums?

When you apply for *individual* life or health insurance, you provide answers to detailed questions regarding your health. Your answers provide insurance companies with an idea of your overall health. Based on your answers, insurance companies may ask for additional medical information or tests prior to considering your application for coverage.

The cost of an individual health or life insurance policy takes into account your age, height, weight, medical history, occupation, driving record, your family health history and other personal habits, such as smoking.

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Maintaining a healthy weight, practicing good health habits and seeking regular medical care can be important in lowering your insurance costs. Health and lifestyle information gathered by the insurance company is used to determine whether you get coverage, as well as the premium you are charged.

What are some of the habits that can increase premiums?

Smoking. Smokers often pay higher premiums than non-smokers. Even if you only smoke a few cigarettes a day, an insurance company could charge you the same premium as a heavy smoker.

If you are a smoker, or if you use smokeless tobacco, it may be possible for you to lower your insurance premium by quitting. After you have remained "smoke-free" for a time period specified by your insurance company, you may qualify for the lower, non-smoker premium.

High-risk activities. You will be asked about your hobbies and activities on your application. Insurance companies often charge higher premiums if you participate in high-risk activities. Some hobbies considered to be high-risk activities include mountain climbing, horseback or motorcycle riding, flying an airplane or other aviation-related activities (e.g. ultralight flying, hang gliding or skydiving).

You might be able to lower your insurance premiums by cutting back on your participation in such high-risk activities. Talk with your insurance company or your local insurance agent about your options.

Can my lifestyle have an effect on the insurance coverage I have through work?

If you have health insurance coverage *through your employer*, your employer pays a substantial portion of the total health insurance premium. The frequency, severity and duration of health insurance claims filed by you and your co-workers are taken into account every year.

This assessment is used to determine the insurance rates the health insurance company charges your employer the following year. If your employer's insurance premium goes up, the company can choose to absorb the increase or pass it on to you as an increase in the premium you pay as an employee.

Want to learn more?

KID has several publications that can provide consumer savings information. To view the publications online, or to order individual copies, go to www.ksinsurance.org. Our Web site can also help you find a life or health insurance company licensed to do business in Kansas.

Some insurance companies provide information regarding lifestyle and good health habits on their Web sites. These tools often include online nurses, health assessment and coaching, symptom checkers, weight-loss and smoking cessation advice, and information about how to improve your overall health and well-being. Ask your insurance company or agent if you have access to these types of programs.

For more information about auto, home, life and health insurance options — as well as tips for choosing the coverage that is right for you and your family — visit www.InsureUonline.org.

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The Kansas Insurance Department, established in 1871, assists and educates consumers, regulates and reviews companies and licenses agents selling insurance products in the state. More about the department is online at www.ksinsurance.org.