Stretch your coverage, NOT YOUR BUDGET.

BUNDLE YOUR AUTO INSURANCE WITH RENTERS OR HOMEOWNERS AND SAVE.¹

Even more savings if you live on base.

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¹No Department of Defense or government agency endorsement. Multiple product savings do not apply to all states or to all situations. Savings subject to change. Restrictions apply. Property and casualty insurance provided by United Services Automobile Association, USAA Casualty Insurance Company, USAA General Indemnity Company, Garrison Property and Casualty Insurance Company, based in San Antonio, TX; USAA Limited (UQ) and USAA S.A. (Europe) and is available only to persons eligible for PAC group membership. Each company has sole financial responsibility for its own products. Membership eligibility and product restrictions apply and are subject to change. © 2019 USAA. 695238-0619-4
A co-op or condominium, your management company may have required that the building’s financial entity be named as a co-insured. This is so the lender (and/or, in the case of a co-op or condo, the overall building), who has a financial interest in your property, can ensure that the necessary repairs are made. If a financial backer is a co-insured, they will have to endorse the claims payment check before you can cash it. Depending on the circumstances, lenders may also put the money in an escrow account and pay for the repairs as the work is completed. Show the mortage lender your contractor’s bid and let the lender know how much the contractor wants upfront to start the job. Your mortgage company may want to inspect the finished job before releasing the funds for payment to the contractor. If your home has been destroyed, the amount of the settlement and who gets it is driven by your policy type, its specific limits and the terms of your mortgage. For example, part of the insurance proceeds may be used to pay off the balance due on the mortgage. And, how the remaining proceeds are spent depend on your own decisions, such as if you want to rebuild on the same lot, in a different location or not rebuilt at all.

Your insurance company may pay your contractor directly
Some contractors may ask you to sign a “direction to pay” form that allows your insurance company to pay the firm directly. This is a legal document, so you should read it carefully to be sure you are not also assigning your entire claim over to the contractor. When in doubt, call your insurance professional before you sign. Assigning your entire insurance claim to a third party takes you out of the process and gives control of your claim to the contractor. When work is completed to restore your property, make certain the job has been completed to your satisfaction before you let your insurer make the final payment to the contractor.

Your ALE check should be made out to you
Your check for additional living expenses (ALE) has nothing to do with repairs to your home. So, ensure that this check is made out to you alone and not your lender. The ALE check covers your expenses you may incur while your home is being fixed.

Your personal belongings will be calculated on cash value
You’ll have to submit a list of your damaged belongings to your insurance company (having a home inventory will make this a lot easier). Even if you have a replacement value policy, the first check you receive from your insurer will be based on the cash value of the items, which is the depreciated amount based on the age of the item. Why do insurance companies do this? It is to match the remaining claim payment to the exact replacement cost. If you decide not to replace an item, you’ll be paid the actual cash value (depreciated) amount for it.

To get replacement value for your items, you must actually replace them
To get fully reimbursed for damaged items, most insurance companies will require you to purchase replacements. Your company will ask for copies of receipts as proof of purchase, then pay the difference between the cash value you initially received and the full cost of the replacement with an item of similar size and quality. You’ll generally have several months from the date of the cash value payment to purchase replacements; consult with your agent regarding the timeframe.
MAKE SURE YOUR HOME IS PROPERLY COVERED FOR A NATURAL DISASTER
HOW TO AVOID BEING UNDERINSURED

For many people, their home is their greatest asset, so it is crucial to avoid being underinsured. To properly insure your home, it is important to ask your insurance professional four key questions.  

**1 Do I have enough insurance to rebuild my home?**

Your policy needs to cover the cost of rebuilding your home at current construction costs. Unfortunately, some homeowners simply purchase enough insurance protection to satisfy their mortgage lender. Others confuse the real estate value of their home with what it would cost to rebuild. Quite simply, you should have enough insurance to rebuild your home in the event that it is completely destroyed. Be sure to consider the following:

- **Replacement cost** - Most policies cover replacement cost for damage to the structure. A replacement cost policy pays for the repair or replacement of damaged property with materials of similar kind and quality.

- **Extended replacement cost** - This type of policy provides additional insurance coverage of 20 percent or more over the limits in your policy, which can be critical if there is a widespread disaster that pushes up the cost of building materials and labor.

- **Inflation guard** - This coverage automatically adjusts the rebuilding costs of your home to reflect changes in construction costs. Find out if your policy includes this coverage or if you have to purchase it separately.

- **Ordinance or law coverage** - If your home is badly damaged, you may be required to rebuild it to meet new (and often stricter) building codes. Ordinance or law coverage pays a specific amount toward these costs.

- **Water back-up** - This coverage insures your property for damage from sewer or drain back-up. Most insurers offer it as an add-on to a standard policy.

- **Flood insurance** - Standard home insurance policies provide coverage for disasters such as fire, lightning and hurricanes. They do not include coverage for flood (including flooding from a hurricane). Flood insurance is available through the federal government’s National Flood Insurance Program (www.floodsmart.gov), but can be purchased from the same agent or company representative who provides you with your home or renters insurance. Make sure to purchase flood insurance for the structure of your house, as well as for the contents. Excess Flood Protection, which provides higher limits of coverage than the NFIP in the event of a catastrophic loss by flooding, is available from some insurers. Keep in mind that there is a 30-day waiting period before the insurance is valid.

**2 Do I have enough insurance to replace all of my possessions?**

Most homeowners insurance policies provide coverage for your personal possessions for approximately 50 percent to 70 percent of the amount of insurance you have on the structure of your home. So if you have $100,000 worth of coverage on the structure of your home, you would be covered for $50,000 to $70,000 worth of the contents of your home, depending on the policy. The best way to determine if this is enough coverage is to conduct a home inventory, which details everything you own and the estimated cost to replace these items if they are stolen or destroyed by a disaster. Keep your home inventory in a safe place if you have physical copies; or store it in the Cloud if you are using a home inventory app.

You can insure your possessions in two ways: by their actual cash value or their replacement cost. Make sure you review with your insurance professional which type of coverage is best for your particular situation.

- **Actual cash value policy** - This coverage pays the cost of replacing your belongings minus depreciation.

- **Replacement cost policy** - This coverage reimburses you for the full current cost of replacing your belongings.

To illustrate the difference between the two types of policies, suppose, for example, a fire destroys a 10-year-old television set in your living room. If you have a replacement cost policy for the contents of your home, the insurance company will pay to replace the TV with a comparable new one. If you have an actual cash value policy, it will pay only a small percentage of the cost of a new TV set because the old TV has been used for 10 years and is now worth a lot less than its original cost. Some replacement cost policies specify that the new item be purchased by the insurance company as they may be able to purchase at a bulk or special rate. The price of replacement cost coverage is about 10 percent more than that of actual cash value.

**3 Do I have enough coverage for additional living expenses?**

Coverage for additional living expenses pays the extra costs of temporarily living away from your home if you can’t live in it due to an uninsured disaster such as a hurricane. It covers hotel bills, restaurant meals, transportation and other living expenses incurred while your home is inaccessible or being rebuilt. It is important to note that it covers only those expenses that are over and above your regular living expenses, so it would not cover your mortgage, or regular trips to the grocery store. If you rent out part of your house, this coverage also reimburses you for the rent that you would have collected from your tenant if your home had not been destroyed.

Coverage for additional living expenses differs from company to company. Many policies provide coverage for about 20 percent of the insurance on your house. Some companies will sell you a policy that provides you with an unlimited amount of loss of use coverage, for a limited amount of time.

Make sure you know exactly how much coverage you have for additional living expenses, and whether there is a time limit. If the standard coverage is not adequate, it can generally be increased for an additional premium.

**4 Do I have enough insurance to protect my assets?**

Although not a key element in disaster planning, it is also important to have adequate liability protection. This covers you against lawsuits for bodily injury or property damage that you or your family members may cause to other people. It also pays for damages caused by pets. Liability insurance pays for both the cost of defending you in court and for any damages a court rules you must pay—up to the limits of your policy. Most homeowners insurance policies provide a minimum of $100,000 worth of liability insurance, but higher amounts are available.

It is important to purchase enough liability insurance to protect your assets. If the standard liability coverage in your homeowners policy is not sufficient, you may need an excess liability, or umbrella, policy, which provides additional coverage over and above what is covered in your home (and auto) insurance policy.
There are many reasons you might want to rent out your home on either a short- or long-term basis. Depending on the rental scenario, your standard homeowners policy may not cover losses incurred while your home is rented out, and you may require a more specialized insurance policy. So, whether you own a second home that you lease to tenants, want to rent out a spare bedroom in your house periodically, though Airbnb, or make a little extra cash renting out your beach cottage the weeks you’re not using it, the first step should be to call your insurance professional.

Short-term rentals/Primary residence
If you are planning to rent out all or part of your primary residence for a short period of time, for instance, a week or several weekends, there will likely be two insurance scenarios.

1. Some insurance companies may allow a homeowner or renter’s policyholder a short-term rental—assuming they have notified the company. Other insurers will require an endorsement (or rider) to the existing insurance policy in order to provide insurance coverage.

2. If you plan to rent out your primary residence for short periods on a regular basis, to various “guests,” this would constitute a business. Standard homeowners insurance policies do not provide any coverage for business activities conducted in the home. To be properly covered, you would need to purchase a business policy—specifically either a hotel or a bed and breakfast policy.

Long-term rentals/Second home
If you are planning to lease your home to one person or a couple or family for a longer period of time, say six months or a year, you will likely need a landlord or rental dwelling policy. Landlord policies generally cost about 25 percent more than a standard homeowners policy to pay for increased protections. If you are regularly renting out a vacation home or investment property, this would also require a landlord or rental dwelling policy.

Landlord policies provide property insurance coverage for physical damage to the structure of the home caused by fire, lightning, wind, hail, ice, snow or other covered perils. It also offers coverage for any personal property you may leave on-site for maintenance or tenant use, like appliances, lawn mowers, and snow blowers.

The policy also includes liability coverage; if a tenant or one of their guests gets hurt on the property, it would cover legal fees and medical expenses.

Most landlord policies provide coverage for loss of rental income in the event you are not able to rent out the property while it is being repaired or rebuilt due to damage from a covered loss. This coverage is generally provided for a specific period of time.

Renters insurance
As the landlord, your coverage is only on the structure itself and your financial interest in it. Your tenant’s personal possessions are not covered under your policy. In order to avoid disputes arising from damage to the renter’s belongings, many landlords require a tenant to buy renters insurance before signing a lease.

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TRICARE DENTAL PROGRAM

The TRICARE Dental Program is a voluntary dental plan. Sponsors can enroll through the Beneficiary Web Enrollment website.

You can enroll if you’re a:
- Family member of an active-duty service member
- Family member of a National Guard/Reserve member
- National Guard/Reserve Member who isn’t on active-duty or covered by the Transitional Assistance Management Program (TAMP).
- You get active-duty dental benefits if you’re on active-duty or covered by TAMP.

AVAILABILITY
The plan is available worldwide in two service areas:
- CONUS
- OCONUS

COVERAGE
The TRICARE Dental Program covers:
- Gum surgery
- Oral surgery and tooth extractions
- Crowns and dentures
- Orthodontics and braces
- Additional benefits for enrollees with chronic conditions and special needs*
- Additional cleaning for pregnant women*

*Must register condition/special need in My Account on the TDP website at www.tricare.mil prior to receipt of care. See information under Dental Contractor for details.

DENTAL CONTRACTOR
United Concordia is the TRICARE Dental Program contractor. You’ll need a Department of Defense Self-Service Logon to create your account. After you enroll, you can create an account with United Concordia to:
- View dental coverage
- Check a claim
- View claims history
- View explanation of benefits
- Register a chronic condition, pregnancy or special need
- Select communication preferences (e.g., text, email or mail)
- Access messages in a secure Messaging Center
Ways to Keep Military Health Care Affordable

Courtesy of Military.com

Free or reasonably priced health care coverage is one of the ways the American public decided to help compensate the military, their families, and military retirees for their service to the nation. TRICARE offers a wide range of health plans for a variety of needs, and many of these plans afford free medical care, or care at very low cost compared to the prices paid by civilians. Nonetheless, co-payments, medications, dental and vision care can add up. Try these suggestions to help keep the cost of medical care manageable:

1. **See the right doctors.** You want the best care possible, but also the best price. Whenever possible, by going to a non-military facility such as a hospital, clinic or clinic, you’ll receive high-quality care at the lowest cost to you. If no military facility is near you, check with your health insurance plan to determine the best civilian option.

2. **Choose the right plan.** Review all your options when choosing coverage under TRICARE. TRICARE offers several coverage levels that have different options of providers and different cost points. Carefully consider all your options, including what physicians you will want to see, how healthy you and your family are, and anticipate future medical needs, to determine the right level of care for you.

3. **Keep up to date with checkups.** Don’t skimp on care to save a few dollars, especially if you have a health condition that requires regular monitoring. Be sure children get all necessary vaccinations, and take preventive measures such as getting a flu vaccination every year.

4. **Ask for the best deal.** Talk to the manager of patient accounts about your situation. Your TRICARE benefits might vary depending on your plan level and whether you or the physician’s office files your claim. For example, if you use the point-of-service option (POS) to visit a non-network, non-participating physician, they can charge you up to 15 percent more than the agreed-upon TRICARE rate.

5. **Save with a FSA.** If your employer or your spouse’s employer offers a flexible spending account (FSA), use it to your advantage. An FSA allows employees to have money deducted, pretax, from their paychecks for medical care. Look at canceled checks, bills or credit card statements to determine how much you spent on medical care (out of your pocket, outside of health plan benefits last year). One rule of thumb is to request withholding of about 80 percent of that amount, to be safe. Be sure you can spend the full amount you have deducted, because if you do not spend it, you lose it.

6. **Cut drug costs.** First, seek to receive your medications from a military treatment facility, where they are free. Otherwise, ask your doctor if a generic medication will work as well as a brand-name one for you. It’s equally effective, a generic drug costs two-thirds less when ordered through TRICARE’s mail-order pharmacy, if not, look into all options, including discount medications from warehouse clubs and discount/chain stores, to find the best deal on needed medicines.

7. **Deduct what you can.** Develop a method – whether a spreadsheet, a shoebox for receipts, or a list in a notebook – to keep track of what you spend on medical care. If you spend more than 7.5 percent of your income, you could be eligible to deduct those costs from your income taxes.

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VA Health Care for Veterans

Courtesy of Military OneSource

If you’re a veteran who served with honor, you’re eligible to enroll for VA Health Care. The Veterans Health Administration is America’s largest integrated health care system with more than 1,700 VA medical centers and outpatient clinics across the U.S.

**World-class health care at little to no cost**

You may not need it today — or tomorrow — or for years to come. But all veterans should apply to be able to take advantage of an entire network of high-quality comprehensive VA health care and medical benefits at little to no cost, including:

- Preventive, primary, and specialty care
- Prescriptions
- Medical equipment, prosthetics and more
- Mental health care
- Home health care
- Geriatrics and extended care

Women veterans’ services also include:

- Primary care
- Breast and cervical cancer screenings
- Prenatal care, maternity care coverage
- Other gender-specific services

Beyond medical benefits, other VA programs include:

- VA dental care
- VA hearing and vision benefits
- Alcohol/drug dependency treatment
- Veterans’ mental health services and coverage
- Post-traumatic Stress Disorder treatment
- VA assisted living
- Agent Orange assistance
- Traumatic Brain Injury rehabilitation
- Family caregiver program

**Can I apply? Am I eligible?**

If you served in the active military, naval or air service and are separated under any condition other than dishonorable, you may qualify for VA health care benefits. National Guard and reserve servicemembers who have completed the full call-up period of active duty can apply. Here’s how the enrollment process works:

1. To apply, you’ll need:
   - Proof of discharge papers such as DD-214
   - Any additional health insurance information, including coverage through a spouse or domestic partner
   - Wage and financial information, including previous calendar year gross income for the veteran, spouse and dependent children
   - Once you apply for enrollment, your application will be processed and your eligibility verified.
   - You’ll receive notification of your Priority Group.

2. VA has set up Priority Groups to make sure that certain groups of veterans can be enrolled before others. You’re assigned to your group based on several factors.

3. Priority Groups range from one to eight with one being the highest priority for enrollment. Based on your eligibility and income, you may have to agree to pay a copay to be placed in certain Priority Groups. Some veterans may not be eligible for enrollment.

4. What help will I get? Is it worth it to apply? The Health Benefits Explorer tool from VA can help you quickly learn about the VA health care benefits you could receive as an enrolled veteran. You should apply after you use the tool to receive your official determination of benefits.

**More reasons to sign up**

- Low- to no-cost health care. Most veterans qualify for cost-free health care services, although some veterans must pay modest co-pays for health care or prescriptions.
- Your health may change. Regardless of how healthy you are or whether you need coverage, you should apply. Someday your Priority Group might change.
- You’re covered for the Affordable Care Act. Enrollment in VA health care satisfies your Affordable Care Act health coverage requirement — no additional insurance plan is needed.
- Keep your health insurance. You can keep your present health insurance, including Medicare.
- Extra options for combat veterans. If you’re a combat veteran, you have additional time to enroll and more services available to you, regardless of your disability status.

**Four easy ways to apply**

1. **Apply online.**
2. **Call 1-877-222-8387 Mon. - Fri. 8 a.m. to 8 p.m. EST**
3. **In Person:** Find your nearby VA center.
4. **Mail:** Fill out and mail to:
   - Health Eligibility Center, Enrollment Eligibility Center, 2957 Clairmont Road, Suite 200, Atlanta, GA 30329-1647

   To learn more visit ExploreVA for an overview of VA Health Benefits.
CELEBRATING 90 YEARS OF
CARING FOR YOUR HEALTH WORLDWIDE

Health
AFSPA sponsors the Foreign Service Benefit Plan (FSBP), a Federal Employees Health Benefits (FEHB) fee for service health insurance, with network providers. FSBP offers high-quality medical benefits at competitive premiums. Although many AFSPA members live within the U.S., our customer service staff are trained and experienced with health care delivery and claims handling from foreign health providers. FSBP’s unique features and benefits include:
• Generous acupuncture, chiropractic, and massage therapy benefits;
• Wellness Incentives with a generous reward program;
• Direct Billing Arrangements with international facilities;
• Low calendar year deductibles for network and overseas providers;
• 24/7 Nurse Advice Line and Emergency Translation Line;
• Secure online claim submission & Electronic Funds Transfer (EFT) of claim reimbursement;
• Dietary and Nutritional Counseling; and
• A Plan you can keep when you return to the U.S.
AFSPA also sponsors several commercial insurance plans. Below is a summary of our supplemental products. Apply/Enroll anytime – no Open Season required. Direct debit is available for payment. For more information, visit afspa.org/ai or call 202-833-4910.

Members of Household Health Insurance
AFSPA offers three (3) Members of Household medical plans, including domestic partners, parents, dependent children under 26, nannies, and any other persons who do not qualify for FEHB coverage. These worldwide policies offer a choice of deductibles and medical coverages.

Global Medical Insurance is a health insurance policy by the International Medical Group (IMG) that provides flexible and secure medical coverage while residing anywhere in the world. Choose from five different plan options and to customize your trip length and area of coverage.
GlobeHopper Senior is a travel medical insurance policy by IMG that offers affordable coverage to U.S. citizens and U.S. permanent residents over age 65 while they travel outside of the U.S. Two (2) plan options are available: Single and Multi-Trip.

Liaison Travel Medical Series is a comprehensive travel medical insurance policy by Seven Corners that covers U.S. citizens, U.S. permanent residents, and foreign nationals traveling and/or residing outside their home country. For non-U.S. citizens, it is the country where you have your permanent residence. For U.S. citizens, including those with dual citizenship and U.S. permanent residents, U.S. is always home. Three (3) plan options are available: Economy, Choice, and Elite with varied levels of coverages and trip lengths.

Dental
AFSPA offers four (4) Dental plans that cover overseas or in the U.S. Enroll anytime for overseas members, we offer a true international dental plan:
• CIGNA International - Covers services rendered outside the U.S. Calendar year max $3,000/person; No deductibles; Preventive Care paid at 100%; Orthodontia - available for children and adults. Worldwide referrals to licensed dentists and the plan can pay these providers directly, in most local currencies. Submit claims in any language via CIGNA's secure Web portal or global toll-free fax. Access CIGNA's multilingual Customer Service Center 24/7, via its global toll-free number.

For U.S. members, choose from a nationwide HMO plan or PPO plan with CIGNA Dental:
• Dental HMO - No deductibles, waiting periods, calendar year maximums or forms. Fee schedule with discounted rates for covered services.
• Dental PPO - Calendar year max $3,000/person; No deductibles; Preventive Care paid at 100%; Orthodontia - available for children and adults. The benefit is paid at 40%, up to a lifetime maximum of $3,500 after a 12-month waiting period.

For members in the Mid-Atlantic area (DC, DE, MD, PA, & VA), AFSPA offers:
• Dominion National Access ePPO - Services are rendered by dentists within the ACCESS network. No waiting periods; no copays for exams, cleanings, and x-rays. Annual max - $2,000/

AD&D
AFSP's Accidental Death and Dismemberment (AD&D) policy, underwritten by Prudential, covers you in the event of accidental vision loss, hearing loss, paralysis, or death, up to $100,000. AD&D also offers Seat Belt and Air Bag, Exposure and Disappearance, Loss Due to Coma, Home Alteration and Vehicle Modification, Dependent Education, and Daily Care Expense benefits. It excludes acts of war (declared or undeclared) but covers acts of terrorism.

Disability
The Lloyd's of London Disability Income Protection Insurance plan pays a portion of your annual salary, up to $5,000/month, up to two years (after a 45-day waiting period). It offers a Lump Sum Benefit option of $250,000 or up to five times your annual salary, whichever is less - paid when your two-year benefit period has ended. Application acceptance depends on health status. Excludes injuries from acts of war or terrorism.

The CIGNA Global Health Benefits disability plan pays a portion of your annual salary, up to $5,000/month (after a 30-day waiting period). Choose a two-year or five-year benefit period. Medical underwriting is not required. There is a 36/12 Rule for pre-existing conditions. Covers injuries from acts of war or terrorism. The plan can be used for medically necessary maternity (some restrictions apply).

Travel
AFSPA offers four (4) travel insurance plans options to cover a wide range of travel services and circumstances. These plans are designed for overseas leisure travel, as well as trips within the U.S. We offer a variety of flexible coverage options - choose what works for your travel needs. Purchase single or multiple trip coverage for short-term or long-term trips.
Features include: medical coverage, emergency medical and political evacuation, repatriation of remains, emergency cash advances, luggage tracking, etc. Learn more at afspa.org/travel.

Caring For Your Health Worldwide®

A World of Choices

AFSPA, sponsor of the FOREIGN SERVICE BENEFIT PLAN, has provided insurance to Federal employees for 90 years. AFSPA is proud to offer the following products:

• Health Insurance (FOREIGN SERVICE BENEFIT PLAN)
• Dental Insurance
• Life Insurance
• Travel Insurance
• Disability Income Protection
• Accidental Death & Dismemberment
• Members of Household Health Insurance
• Discount Care Programs

Membership includes all Federal civilians of:
• DOD
• FCS
• DOS
• CIA
• USAID
• DHS
• FAS
• ODNI

FOR MORE INFORMATION:
American Foreign Service Protective Association
1620 L Street, NW Suite 800 Washington, DC 20036
www.afspa.org / afspa@afspa.org / 202-333-4910
www.facebook.com/afspacares
HEALTH COVERAGE OPTIONS

FOR VETERANS

A variety of choices are available for post-service care

Health care and health insurance are complex for most people, but for veterans even more so. Veterans have different and unique health care options that make decision-making even more challenging. It’s important to be aware of recent health care changes and the range of health coverage options available to veterans.

VA Health care is the most widely known health benefit for veterans, made available by the Department of Veterans Affairs.

Of the more than 21 million veterans in the United States, around nine million are enrolled in VA, and over five million accessed VA care last year.

However, the VA is only one of many options available to veterans and their families seeking access to health care and health insurance.

VA HEALTH CARE

VA health care, put simply, provides health care services exclusively for veterans. Health care is mostly provided in VA medical facilities, although there is a regional option through Patient-Centered Community Care (PCC). VA benefits may be received in conjunction with other health insurance or as stand-alone coverage. Enrollment in VA is optional and can be terminated or reinstated. It is generally available to veterans of any age who were honorably discharged from active military service after at least two years, and reserve members who completed the full period for which they were called or ordered to active duty. Costs vary depending on years of service, income and the nature of the care. All service-related care is free within the VA system.

TRICARE

TRICARE is health insurance provided by the Department of Defense for active duty personnel and their families. TRICARE is available to active duty service members, military retirees (those who completed 20 years of service) and their dependents. It may be used in conjunction with other health insurance or as stand-alone coverage. To enroll, veterans must also be registered in the Defense Enrollment Eligibility Reporting System (DEERS). Veterans may enroll in Medicare or Medicaid while also receiving VA or TRICARE, but cooperation between the programs varies.

EMPLOYMENT-BASED INSURANCE

Veterans in the civilian workforce are able to access insurance offered through their employer the way any other employee would. Employment-based insurance is the largest source of coverage for veterans under age 65. Veterans are able — but not required — to receive both employment-based coverage and VA benefits. For veterans who have both private employment-based insurance and VA, the VA can bill private insurance for the care they receive at VA facilities.

STATE HEALTH CARE EXCHANGES

Exchanges are new health insurance marketplaces in each state. Veterans will be able to purchase a health care plan through one of the health care exchanges. However, an individual must be completely uninsured in order to qualify for a lower-cost marketplace plan. Enrollment in the VA Health Plan makes veterans ineligible for subsidies in the exchange. In order to qualify for a subsidy or discount, a veteran must end enrollment in the VA plan and experience a gap in coverage between terminating VA benefits and enrolling in a marketplace plan. Should a veteran wish to return to VA benefits in the future, eligibility may change. Enrollment in the VA plan does not affect the ability of a veteran’s family to receive exchange subsidies if they otherwise qualify.

MEDICAID

Medicaid is the largest source of medical and health-related services for people with low incomes (typically up to $12,000/$16,705 per year for an individual) in the United States. Eligibility varies by state. Medicaid is free or low-cost (for co-pays), depending on income. Medicaid does not cover any health services at VA facilities, but for those with both Medicaid and TRICARE, Medicaid acts as the secondary payer. Unlike most other sources of insurance, Medicaid has no open enrollment period, which means veterans can enroll at any time.

MEDICARE

Medicare is health insurance provided by the federal government to individuals age 65 and older, as well as some adults with disabilities. All U.S. citizens and permanent residents 65 and older are eligible. To ensure the lowest monthly premiums, veterans must enroll within three months before or after their 65th birthday. Medicare and TRICARE work together — there is a branch of TRICARE called “TRICARE for Life” that becomes available when you enroll in Medicare Parts A and B (basic Medicare). Medicare becomes your primary insurance, and TRICARE pays for any coinsurance and deductable. Medicare and VA benefits, however, do not work together. Medicare does not pay for any care received at VA facilities, but it will cover care at a non-VA facility.

HEALTH CARE RESOURCES FOR FEMALE VETERANS

Between VA and TRICARE, female veterans have access to all essential services. Standard primary care is covered: health evaluation and treatment, disease prevention, nutrition counseling, substance abuse counseling, etc. Mental health assistance is available as well. Mood disorders, post-traumatic stress disorder, domestic violence, sexual trauma and post-deployment readjustment are some of the mental health issues that can be evaluated through VA care. TRICARE covers mental health services, though they define this coverage in terms of the method of assistance (acute inpatient care, applied behavior analysis, psychotherapy, psychological testing, residential treatment and partial hospitalization are all covered).

Beyond that, there are gender-specific services available. VA and TRICARE cover Pap smears, mammograms, birth control, HPV vaccine, preconception counseling and menopause support. Specialty care includes reproductive health care: maternity, tubal ligation and others. Infertility treatment, while provided by VA, is limited through TRICARE (though it is covered if connected to a service-related injury or ailment). By law, VA centers are prohibited from providing abortion services and in-vitro fertilization, though TRICARE covers abortions under extreme circumstances.
LIFE INSURANCE

ACT NOW TO PROTECT LOVED ONES

If you have dependents, you need to insure your life for their security.

ANY PEOPLE WOULD RATHER NOT THINK ABOUT LIFE INSURANCE. THAT’S UNDERSTANDABLE, BUT IT’S ALSO A MISTAKE.

Life insurance lets you provide for the people you care about if you’re no longer around to provide for them yourself.

At its most basic, life insurance will cover funeral arrangements, outstanding bills, and settling your estate after your death. But, more important, this insurance can replace the income you would have earned had you lived longer, pay off the mortgage if you have one, and provide money for your children’s education.

LIFE INSURANCE OVERVIEW

There are two basic types of life insurance: term and permanent. Term insurance covers you for a specific period of time, such as five years, and can normally be renewed when the time period ends. Permanent insurance, on the other hand, covers you for your lifetime, or in some cases, until you turn 100.

There are several varieties of permanent insurance, the most common being whole life, also known as straight life or ordinary life. Overall, permanent insurance tends to be more expensive than term for the same level of coverage.

You pay an annual premium for either term or permanent insurance and must stay up-to-date with your payments for the policy to remain in effect. When you die, your beneficiary, whom you name in the insurance contract, receives the face value, which is a cash amount also known as the death benefit, which you select when you purchase the policy. For example, you might name your spouse as the beneficiary of a $400,000 term policy.

With a permanent policy — though not with a term policy — part of the premium you pay accumulates in a tax-deferred cash value account. You may be able to borrow against this account, but any amount you borrow reduces the death benefit dollar for dollar until the loan is repaid. If you stop paying your premiums or surrender the policy for any reason, you get back the cash surrender value, which is the balance of your cash value account minus loan balances, interest due, and fees.

BUILDING ON WHAT YOU HAVE

When you leave the military, the life insurance coverage you had on active duty through Service members Group Life Insurance (SGLI) is automatically extended for 120 days. This continuing SGLI coverage is a term policy with a death benefit of up to $400,000, plus $100,000 for traumatic injury. The amount is the same as the death benefit of your existing SGLI policy.

Before the extension period ends, it’s up to you to arrange for new insurance. You can convert your SGLI policy to a Veterans Group Life Policy (VGLI), administered by the same company. If you do so within the time limit, you automatically qualify for the insurance without a health examination, and your death benefit remains the same as it was with SGLI.

You have an additional year to apply for coverage after the extension ends, but during that period you’ll need to take a physical exam and you could be turned down.

VGLI is structured as a five-year renewable term policy. Your premium is determined by your age at the time you renew and the amount of the death benefit. If your current coverage is less than $400,000, you can increase it in increments of $25,000 at each renewal, up to that cap.

Alternately, you can convert your SGLI to a permanent policy offered by one of the commercial insurance companies affiliated with the VA program. Again, if you act before your SGLI ends, no health check is required.

You can find the details of both types of coverage, including the cost, and compare the two by visiting benefits.va.gov/insurance.

CHOOSING A POLICY

The key to buying life insurance is finding the right coverage at the best price. In some situations, VGLI may be your best choice, despite the fact that it is more costly than SGLI. A policy from a VA-affiliated insurer may better suit your needs, provided you want permanent insurance rather than term. Or, if your health is good, you may want to look into a different term policy.

What you don’t want to do is put off making a decision. One approach is to consult a fee-only life insurance adviser who doesn’t sell policies and will provide unbiased advice. Another is to read widely to understand your alternatives. In addition to the VA resources like Consumer Reports can be a good place to begin.

Among the things to consider are the reputation of the insurers based on the assessments of independent rating agencies, the comparative cost of term and permanent policies, how your life insurance needs are likely to change as you age, and whether there is an accelerated benefits option should you become terminally ill.

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DON’T FALL FOR THESE LIFE INSURANCE MYTHS

You needn’t have children, or even a spouse or partner, to benefit from a life insurance policy.

Life insurance, especially if purchased early, may be an expensive way to help protect your family and home — even if you don’t have either yet.

Even so, a handful of widely held life insurance myths cause some to delay buying a policy or to skip purchasing one altogether. Let’s look at some of the most common.

MYTH You don’t need life insurance if you’re young, single or don’t have children.

Actually, purchasing life insurance may be less expensive earlier in life because pricing is based on age, health, and risk class. Your single status may change, and you might become a parent someday. Having a plan in place to provide for loved ones after your death removes one big ‘to do’ item that only grows longer with life’s big changes. “If you are someone or think that you ever will, it may never be cheaper than it is today to get some protection in place,” said Kenneth Sutton, USAA’s director of life insurance product management.

MYTH Step-at-home spouses or partners don’t need their own life insurance policies.

In fact, the contributions of a stay-at-home spouse or partner can include child care, home care, managing household finances and much more. Buying a benefit to help pay for the work and care provided by a stay-at-home spouse or partner could remove one source of stress in the traumatic event of losing a loved one. And someone who stays at home should feel just as able and empowered to provide a life insurance benefit to his or her loved ones as someone who works outside the home. “It’s really a fair act of love,” Sutton says.

MYTH A privately owned policy is unnecessary if you already have a group life benefit through your employer.

Let’s face it — employer benefits can change. A privately owned life insurance policy that you choose is under your control. Consider group life insurance offered by your employer as a welcome, supplemental benefit to a policy that’s guaranteed regardless of your employment situation.

MYTH Life insurance is expensive, and all policies are the same.

You can tailor a plan to meet your needs and budget. Check out online tools such as USAA’s Life Insurance Need Calculator for estimates of policy costs and benefits. Also, consider talking to a financial adviser to get advice on how to create a plan that includes life insurance as a piece of your well-being.

— Courtesy of USAA
UNCLAIMED LIFE INSURANCE BENEFITS

5 reasons why your life insurance benefits might go unclaimed

Courtesy of the Insurance Information Institute

Sometimes life insurance benefits are left unclaimed after a policyholder dies. This is an unfortunate problem under any circumstances, but especially now, when many people are struggling financially. What is more, this is an easily preventable outcome.

1 The life insurance company and the policy owner have lost track of each other

The main mode of contact between you and financial institutions (banks, credit card companies, insurance companies, investment management companies, etc.) is by “snail” mail. As with anyone with whom you wish to keep in contact after you move, you must tell them your new mailing address or they will lose track of you. The U.S. Post Office will only forward first-class mail for a year to a forwarding address, and the sender is not aware that the mail is being forwarded to a new address as the Post Office does not inform the financial institution of the change.

If you move, immediately inform every financial institution directly of your new mailing address, including your life insurer.

Of course, the same principle applies to other forms of communication: tell the life insurance company of new phone numbers (including your mobile number), email address, etc.

2 The life insurance company doesn’t know the insured has died

Life insurance companies typically do not know when a policyholder dies until they are informed of his or her death, usually by the policy’s beneficiary. Even if a policy is in a premium-paying stage and the payments stop, the insurance company has no reason to assume that the insured has died.

Moreover, there are policies that have benefits called cash values, with an Automatic Premium Loan (APL) feature. An APL policy borrows money from the cash value to pay a premium due if the money does not come in by the end of the grace period; thus preventing an unintended lapse of the policy, which would have the disastrous effect of loss of the entire death benefit should the insured die after premiums due were not paid. Under an APL, the policy would continue in full force until all of the cash value had been borrowed, at which time it would lapse.

Also, many policies are in a stage in which no premiums are due. Some life insurance is bought with a single premium or a small number of premiums due (such as 10 or 20 annual payments), but the insured might live a long time after the premium payments end. Thus the life insurance company would stop sending premium notices after all premiums were paid.

Moreover, there is no master list of who is alive and who is dead. The Social Security Administration has the closest thing to such a list—a file on its income beneficiaries (those receiving retirement or disability income from Social Security) to record those who are alive and who have deceased, so as to avoid making payments that are not legitimate—but this does not cover everyone. Millions of people, in fact, are not covered by Social Security (federal employees, state employees in four states, railroad employees, etc.), and therefore would not appear on this list.

Employers who sponsor group life insurance to active employees will notify the life insurer if a covered employee dies. And, it is possible that the deceased would also have individual life insurance policies with the same company that issues the group policy, but this becomes less likely when people switch jobs but do not switch individual life insurers.

Remember to provide your beneficiaries with the name and contact information for your life insurance company, so they can report your death and file a claim.

3 The life insurance company is unable to locate the policy’s beneficiaries

There might be one or both of two problems in this scenario. The first is that the descriptions of the beneficiaries might be insufficiently precise for the life insurance company to locate them. This would be the case, for example, if the beneficiary designation says “my wife” or “my children” without naming them specifically and, ideally, providing a Social Security number and a current address for each one.

Be sure to provide detailed personal identification information about every beneficiary to each life insurer from whom you have coverage for death benefits so that they can easily be located and their identity confirmed.

The other problem is that, even if the company knows who it is looking for, it may be very difficult to track down a beneficiary, especially as it may be many years, or even decades, since the policy was taken out. Keep in mind that, for privacy reasons, until the death occurs, the life insurer cannot even respond to a beneficiary’s inquiry as to whether they are a beneficiary or not.

4 Beneficiaries don’t know that a life insurance policy exists under which they are beneficiaries

It may come as a surprise, but sometimes beneficiaries do not know that they are covered by the insured’s individual or group life insurance policy. The insured may have a variety of reasons for keeping this information secret from the beneficiaries, but an unfortunate consequence is that the benefits could end up unclaimed because no one actually realized that they could make a claim.

Tell the beneficiaries of your life insurance (both individual policies and group coverages) that when you die they will be entitled to death benefits. And, provide them with the name and location of the life insurance company as well as the policy number.

5 The original life insurance company no longer exists or cannot be located

The name of the company that sold the original life insurance policy may have changed, possibly making it more difficult for the beneficiary to locate the insurer in order to make a claim. Life insurance companies are not any different from companies in any other industry in this respect—but the multi-decade length of the contract can transform this type of normal corporate development into an extra hurdle for beneficiaries.

Some will not know where or how to look for the new insurer, leaving the benefits unclaimed when the insured dies. Typically, an insurer that is changing its name or location will notify its policyholders of such a change.

Keep a record of any notices regarding changes to the name, location or contact information for your life insurance company to make it easier for your beneficiaries to make a claim.
Help protect your family with Term 90 Plus life insurance

Term 90 Plus life insurance offers rates that let you start getting protection more affordably.

The military trained you to be ready for anything. At Military Benefit Association (MBA), we think you should be just as ready when it comes to your family’s financial protection. It all starts with life insurance — one of the smartest and simplest ways to help protect your loved ones.

Life insurance that helps protect your family.

MBA Term 90 Plus life insurance offers solid protection — whether you want to add to your SGLI or are looking for an affordable alternative to VGLI.

**MBA Term 90 Plus life insurance features:**
- Rates start at just $2.50/month for $50,000 coverage*
- Affordable alternative to VGLI
- Coverage up to $1,000,000
- Coverage up to age 90
- Coverage available to non-military spouses
- Eligible children may be covered up to $12,500 at no additional cost

- Plans can go with you when you enter civilian life
- No limitations on aviation-related deaths
- No war clause

**Who is eligible?**
Term 90 life insurance is available to Active Duty and Retired service members, Reservists, National Guard members, Veterans and all spouses of military personnel.

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**Stability**

Monthy rates per $50,000 of life insurance coverage:

<table>
<thead>
<tr>
<th>Age</th>
<th>Non-Tobacco User Premium</th>
<th>Tobacco User Premium</th>
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</thead>
<tbody>
<tr>
<td>Up to age 29</td>
<td>$2.50</td>
<td>$5.00</td>
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<tr>
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<td>$8.50</td>
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<tr>
<td>55-59</td>
<td>$15.50</td>
<td>$31.00</td>
</tr>
<tr>
<td>60-64</td>
<td>$23.79</td>
<td>$47.58</td>
</tr>
</tbody>
</table>

Insured members qualify for non-tobacco discount if they have not used tobacco products during the past 12 months. Rates increase at 5-year age intervals until age 90. Coverage renews at age 70 and again at age 80, and terminates at age 90.

**The benefits of membership.**

Joining MBA is free. We have resources to safeguard your economic welfare, including financial education on life events, video seminars, market analysis, financial calculators and more.

**MBA membership comes with these added benefits:**
- Will preparation services and power of attorney services, at no additional cost! (MemLife insured members)
- Estate resolution service, at no additional cost! (MemLife insured members)
- Savings on auto and home coverage
- Generous scholarship program
- MemLife legal assistance program

Give your family the financial readiness they deserve. Call 1-877-MBA-1020 or visit us at militarybenefit.org

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### Financial Readiness for Military Families.

As a member of the military, you know what it means to be ready for anything. Shouldn’t you make sure your family’s finances are ready, too? It all starts with the right amount of life insurance.

Talk to Military Benefit Association today and find out about our new 10- and 20-year Level Term insurance. It’s affordable with a fixed rate for the level term period. Call us now. And see how financial readiness can be easier than you think.

**Call 1-877-MBA-1020** promo code 4821
Visit militarybenefit.org/4821

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BUY LTCI AND PROTECT YOUR LIFESTYLE

Courtesy of USA

Americans are living longer than ever and that can be good news and bad news. From a retirement planning perspective, it increases your chances of needing some sort of expensive long-term care (LTC) such as a stay in a nursing home. And currently, the American Society on Aging estimates that 70 percent of people over age 65 will require this type of assistance before they die. That makes long term care insurance (LTCI) an important consideration for today’s aging adults.

Long-term care includes a wide range of medical and support services for the ill or elderly. The services exist to help people who have trouble with everyday activities most people take for granted, such as eating, bathing, or dressing. Beyond nursing homes, long-term care can also take place in assisted living facilities, home care arrangements, or other settings.

With any of these services, the chief concern is the incredibly high cost. According to the Genworth Cost of Care Survey, an industry benchmark, just one year in a nursing home can cost more than $75,000. And with costs increasing at about five percent annually, the price tag could skyrocket to $115,000 to $300,000 per year in 20 or 30 years. While it takes most people decades to build the financial security they need to retire comfortably, it’s easy to see how just a few years of LTC could potentially wipe out all of that hard work.

LTCI is specifically designed to prevent that type of devastating financial impact. With a policy in place, the insurance company will help cover your costs if and when you need LTC. And this can help preserve your hard-earned retirement fund for the years you have left, or to pass an inheritance to your heirs.

Importantly, preparing for the possibility of LTC is a challenge most retirees must address on their own. Medicare does not cover most LTC expenses, and Medicaid is reserved for people who have nearly depleted their retirement savings. Furthermore, Veterans Administration hospitals limit LTC on a “space available” basis. So, LTCI is often the only option to safeguard your retirement assets - and your way of life.

Weighing the Costs

Because of the potentially enormous costs of LTC itself, the insurance also tends to be a considerable expense for policyholders. But it may not be as costly as some might think. For example, a 60-year-old married person in average health could expect to pay around $2,000 a year for the coverage. More than pocket change, to be sure, but the likelihood of needing LTC in the future makes the cost worthwhile.

Let’s assume you remain moderately healthy for many years and don’t need long term care until you’re 85 years old. If you choose to buy LTCI at age 60, it means you would pay for the coverage for 25 years before you needed it. At an annual cost of $2,000, you’d pay a total of $50,000 for insurance before ever filing a claim. A bum deal? Not so fast.

Now imagine how forgoing insurance could affect your retirement savings. Again, the industry predicts that in 20 years, each year in a nursing home could cost around $185,000 (more than $500 a day). Paying the total expense from your personal savings, you’d pay $925,000 after only five years. That’s not enough to severely deplete or even empty your retirement fund. If you’re fortunate enough to recover and care for yourself again, you may return home to financial hardship. Or, if you spend your final days in a nursing home, it could erase the inheritance you’d hoped to leave your children, and even put the financial burden on them to pay for your care.

However, LTCI will help you make up your $50,000 in premiums in just a few months.

What and When to Buy

If you decide LTCI is for you, never make a purchase without doing some research first. Active and retired military personnel qualify for the Federal Long-Term Care Insurance Program (FLTCP), but it’s not always the least expensive. It’s important to compare the costs and options of both government and private insurance companies and be sure you completely understand what’s covered.

The two main components of a LTC policy are the “daily benefit,” which is the maximum amount the insurer will pay for services per day; and the “benefit period,” which is how long the policy will pay for your LTC services. Be sure to choose levels that reflect the projected costs in your area, and a timeframe you’re comfortable with. Of course, as you increase your level of coverage, your premiums will also rise.

As for timing your purchase, buying LTCI while you’re young and in good health results in lower premiums. But even if you’ve been retired for years, it’s not too late to find an insurance solution that works within your budget.

With no crystal ball to see the future, deciding whether you need LTCI can be a complex process of balancing your risk with your financial resources. Consulting a financial planner can help you choose the right path and find peace of mind in your decision.

Life Insurance for Veterans

Life insurance is one of those things we tend to avoid. But as a servicemember, you’re automatically provided life insurance. It may be one of the smartest moves you’ve made — whether you know it or not.

Why? Life insurance is essential for your family’s financial health. Your family (or whoever who listed as your beneficiary upon entering the military) could receive up to $400,000 if you should die. If you have family or others who depend on your income, life insurance leaves those you leave behind secure.

Leaving the military:
Consider converting your current life insurance

Unless you declined Servicemembers’ Group Life Insurance since joining the military, you have coverage. It’s offered by the VA. Active-duty members, National Guard and reserve members can obtain up to $400,000 of life insurance. You can buy additional, affordable coverage for your spouse and each dependent child.

When you leave the military, you may want to convert your Servicemembers’ Group Life Insurance into a Veterans’ Group Life Insurance policy. To maintain your family’s financial health and peace of mind with affordable coverage, here’s what you need to know:

• Coverage. You can continue life insurance coverage after leaving the service, at the same or lesser amounts as your Servicemembers’ Group Life Insurance. Remain in the National Guard or reserves after active-duty, and you can keep your Servicemembers’ Group Life Insurance.

• Enrollment period. You have one year and 120 days from your date of separation to apply for Veterans’ Group Life Insurance. If you apply for coverage within 240 days of your date of separation, you won’t have to answer any health questions. Read about eligibility details.

• Costs. Premiums are based upon your age. Check out Veterans’ Group Life Insurance premium rates. Use the Insurance Needs Calculator to assess your life insurance needs.

• Applying. You can apply for Veterans’ Group Life Insurance through eBenefits or download and complete this form and mail it to the Office of Servicemembers’ Group Life Insurance.
Many factors help determine the cost of car insurance

Courtesy of the Insurance Information Institute

The amount you’ll pay for car insurance is impacted by a number of very different factors—from the type of coverage, you have to your driving record to where you park your car. While not all companies use the same parameters, here’s a list of what commonly determines the bottom line on your auto policy.

- **Your driving record** – The better your record, the lower your premium. If you’ve had accidents or serious traffic violations, it’s likely you’ll pay more than if you have a clean driving record. You may also pay more if you’re a new driver without an insurance track record.

- **How much you use your car** – The more miles you drive, the more chance for accidents so you’ll pay more if you drive your car for work, or use it to commute long distances. If you drive only occasionally—what some companies call “pleasure use”—you’ll pay less.

- **Location, location, location** – Due to higher rates of vandalism, theft and accidents, urban drivers pay a higher auto insurance price than those in small towns or rural areas. Where you park your car (on the street or in a secure garage) and anti-theft features may impact the bottom line as well.

Other factors that affect premium price that can vary from one area or state to another are: cost and frequency of litigation; medical care and car repair costs; prevalence of auto insurance fraud; and weather trends.

- **Your age** – In general, mature drivers have fewer accidents than less experienced drivers, particularly teenagers. Insurers generally charge more if teenagers or young people below age 25 drive your car.

- **Your gender** – Statistically, women tend to get into fewer accidents, have fewer driver-under-the-influence accidents (DUIs) and—most importantly—have less serious accidents than men. So all other things being equal, women often pay less for auto insurance than their male counterparts.

- **The car you drive** – The cost of your car is a major factor in the cost to insure it. Other variables include the likelihood of theft, the cost of repairs, its engine size and the overall safety record of the car. Automobiles with high-quality safety equipment might qualify for premium discounts.

Insurers not only look at how safe a particular vehicle is to drive and how well it protects occupants, but also how much potential damage it can inflict on another car. If a specific vehicle model has a higher chance of inflicting damage when in an accident, an insurer may charge more for liability insurance.

- **Your credit** – Similar to your credit score, your credit-based insurance score is a statistical tool that predicts the likelihood of your filing a claim and the likely cost of that claim.

- **The type and amount of auto insurance coverage** – The limits on your basic auto insurance, the amount of your deductible, and the types and amounts of policy options (such as collision) that are prudent for you to have all affect how much you’ll pay for coverage.

- **NEVER race or religion** – It is illegal to use race or religion to set insurance rates.
HOW DO I SET MY AUTO INSURANCE DEDUCTIBLE?

Deductibles share the financial risk of loss between you and the insurance company. The more risk you’re willing to take on through a higher deductible, the lower your premium.

When you experience a loss that is covered by your insurance policy, the deductible is the amount you’re responsible for before the insurance pays. Let’s say you’re in an auto accident, and the cost to repair your vehicle is $1,200. If you have a $500 deductible, you’re responsible for the first $500 of the repair cost, and your auto insurance company will cover the remaining $700.

Generally speaking, deductibles apply only to your property damage, not the liability that kicks in when you’re found legally responsible for injuries to other people or damage to their property.

Auto insurance deductibles vary by state, with options up to $1,000, sometimes more. The most common deductibles are $250 and $500.

Auto insurance policies usually require you to carry separate deductibles for comprehensive and collision coverage. Comprehensive covers events such as fire, vandalism, glass damage and theft. Collision covers vehicle damage due to an accident, regardless of fault. You pay the deductible that applies to the type of claim you have.

Keep in mind, if you are in an auto accident that isn’t your fault and the other party has insurance, the damage to your vehicle should be covered under the other party’s property-damage liability coverage.

Here are five things USA.gov suggests when deciding where to set your deductible:

- **Choose one you can afford.** If you select a $500 deductible, for instance, your emergency fund should have $500 available in case you have a loss.

- **Consider the vehicle’s value.** Determine your automobile’s monetary value. That way, you know whether it makes sense to pay for both comprehensive and collision coverage. It can also help you decide how high to set the accompanying deductibles.

- **Consider your premium.** There’s a natural tendency to lean toward a lower deductible. Who wouldn’t like their insurance company to pay more at claim time? But carrying a very low deductible comes with a higher bill. Remember, in general, the lower your deductible, the higher your premiums.

- **Know what it’s meant to cover.** As you contemplate your decision, remember insurance is designed to protect you from a financial setback, not cover small losses you can afford to pay out of pocket.

- **Avoid extremas.** Given the trade-off between deductibles and premiums, it probably doesn’t make sense to lean too far in either direction. If you set the deductible as low as possible, you’ll pay a considerably higher premium. Set it too high, and you may struggle to cover your share of the cost when something goes wrong.

CONTINUING TO PAY INSURANCE

This is obviously the most expensive option of the three, and the biggest drain on your wallet. The advantage of this option is that most insurance companies use your payment history and evidence of continued coverage to determine rates and eligibility standards. In other words, if you maintain a good payment history and continued coverage while you’re away, it may benefit you down the road with reduced rates and a better deal if you get new coverage or adjust your current coverage.

CANCELLING YOUR INSURANCE

If you’re in a tight spot financially and you’re either single or your family members have their own auto insurance coverage, you may decide to cancel your car insurance while you’re deployed. Certainly, this is the easiest option in terms of “no muss, no fuss,” but it might not pay off in the long run—when you return and try to purchase a new policy, you may get quoted higher rates or are denied coverage altogether. Canceling your insurance also leaves you open to potential disasters while you’re away—for example, if you cancel your insurance and put your car in storage while you’re deployed, you’re on the hook to pay for everything if something happens to your car.

One attractive option that might be open to you is suspending your auto insurance while you are deployed. Not all states or insurance companies allow for coverage to be suspended, so before deployment be sure to check with your insurance company and state insurance department to get a handle on the specific laws and policy limitations for your situation.

Example of State Laws on Insurance: Connecticut law requires all drivers in the state to have a minimum amount of liability coverage, which protects others in the event that you or someone driving your car causes an accident. To legally suspend liability coverage, you must demonstrate to your company that your vehicle will be stored in a place where no one can access it.

Here’s some types of coverage that you may be able to suspend while you are deployed: Liability- Collision- Uninsured/ underinsured motorists- Medical payments and personal injury protection (PIP)!There are a few risks with suspending coverage—you may not be covered for damage done to your vehicle due to weather, “Acts of God” (i.e. floods, fire, earthquake) or acts by another individual. If you want to protect against this, you will need to maintain “comprehensive” coverage while you’re away.

Extra Tip: If you’re suspending or canceling coverage and your state insists on having insurance coverage for your vehicle, file an affidavit of non-use with your state’s Department of Motor Vehicles (DMV) to avoid being fined for failure to maintain insurance.

AUTO INSURANCE AND DEPLOYMENT

There’s plenty of financial hardships that come with deployment, especially if you have a family at home that needs to watch the purse strings while you’re deployed. Certainly, auto insurance can be a major drain, especially when you’re not driving your car while you’re away. Essentially, you have three options open to you while you’re deployed—continuing to pay your auto insurance, canceling your insurance, or suspending your insurance. Each option has its pros and cons.
HOW TO SAVE MONEY ON CAR INSURANCE

Having adequate car insurance is both smart and prudent, but there's no question that it adds to the expense of driving. The good news is that premiums can vary by hundreds of dollars depending on a number of factors. Review your coverage at renewal time to make sure your insurance is in step with your needs, and follow these practical steps to reduce the bottom line on your auto policy.

Shop around for your car insurance

Prices differ from company to company, so it pays to shop around.

Get at least three quotes, from both different insurance companies and different types of insurance companies—that is, those that sell through their own agents; those that sell through independent agents; and those that sell directly to consumers via the phone, an app or the Internet. Ask friends and relatives for their recommendations based on their experiences, and do your own due diligence by researching the company before committing.

Understand auto insurance enough that you can ask a prospective insurer informed questions. Anyone you speak to should take the time to answer your satisfaction. Remember, these are the people who will rely on you if the worst happens and you need to make a claim.

Keep in mind that the lowest price isn't always the "cheap- est" option. Make sure the company you choose is reputable, and that you're comfortable with the service you get from the insurance professionals you speak to. Your state insurance department or online consumer information sites may provide information on consumer complaints by the company to help you choose the right insurance company for your needs.

Compare insurance costs before you buy a car

Auto insurance premiums are based in part on the car's price, the cost to repair it, its overall safety record and the likelihood of theft. Many insurers offer discounts for features that reduce the risk of car theft or personal injury, or for cars that are known to be safe. When you're comparing new or used vehicles to purchase, also research what each will cost to insure. To start, you can check safety rankings for specific models with the Insurance Institute for Highway Safety's (IIHS) Top Safety Pick ratings tool.

Raise your deductible

By choosing a higher deductible on your car insurance, you can significantly lower your premium costs. Of course, be sure you have enough money set aside to pay the higher deductible in the event you have a claim.

Reduce optional insurance on your older car

As a rule of thumb, if your older car is worth less than 10 times the insurance premium, having collision and/or comprehensive coverage may not be cost-effective. To find out whether this is true for you, check the value of your car. You can look up what your car is worth for free on websites such as Kelley Blue Book, National Association of Auto Dealers (NADA), and TrueCar.

Bundle your insurance and/or stick with the same company

Many insurers will give you a discount if you purchase two or more types of insurance from them—such as homeowners and auto—or have more than one vehicle insured. Some companies offer a price break to longtime customers. There are no guarantees so do your homework and compare costs for a multi-policy discount from a single insurer with buying your insurance separately from different companies.

Maintain a good credit history

Establishing a solid credit history has many benefits, including lower insurance costs. Many insurers use credit information to price auto insurance policies. (Research shows that people who effectively manage their credit make fewer claims). To be sure you're getting the good credit you deserve, it's a good idea to check your credit record on a regular basis to be sure all information is accurate.

Take advantage of low-mileage discounts

Some companies offer discounts to motorists who drive less than the average number of miles per year. Low mileage discounts can also apply to drivers who carpool to work.

Ask about group insurance

Some companies offer reductions to drivers who get insurance through a group plan from their employers, through professional, business and alumni groups or from other organizations. Check with your affiliated organizations to see what they offer.

Seek out other discounts

There are other discounts that your insurer may offer to policyholders. For example, some companies offer discounts to those who've not had any accidents or moving violations during a specified period, or who have taken a defensive driving course. If there is a young driver on your policy who is a good student, has taken a drivers education course or is away at college without a car, you may also qualify for a lower rate.
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