

# STARS AND STRIPES<sup>®</sup> Insurance Guide

AUGUST 1

2024

## HEALTHCARE AT HOME

FIND OUT HOW TO  
GET PRESCRIPTIONS  
DELIVERED

## FAMILY LIFE INSURANCE

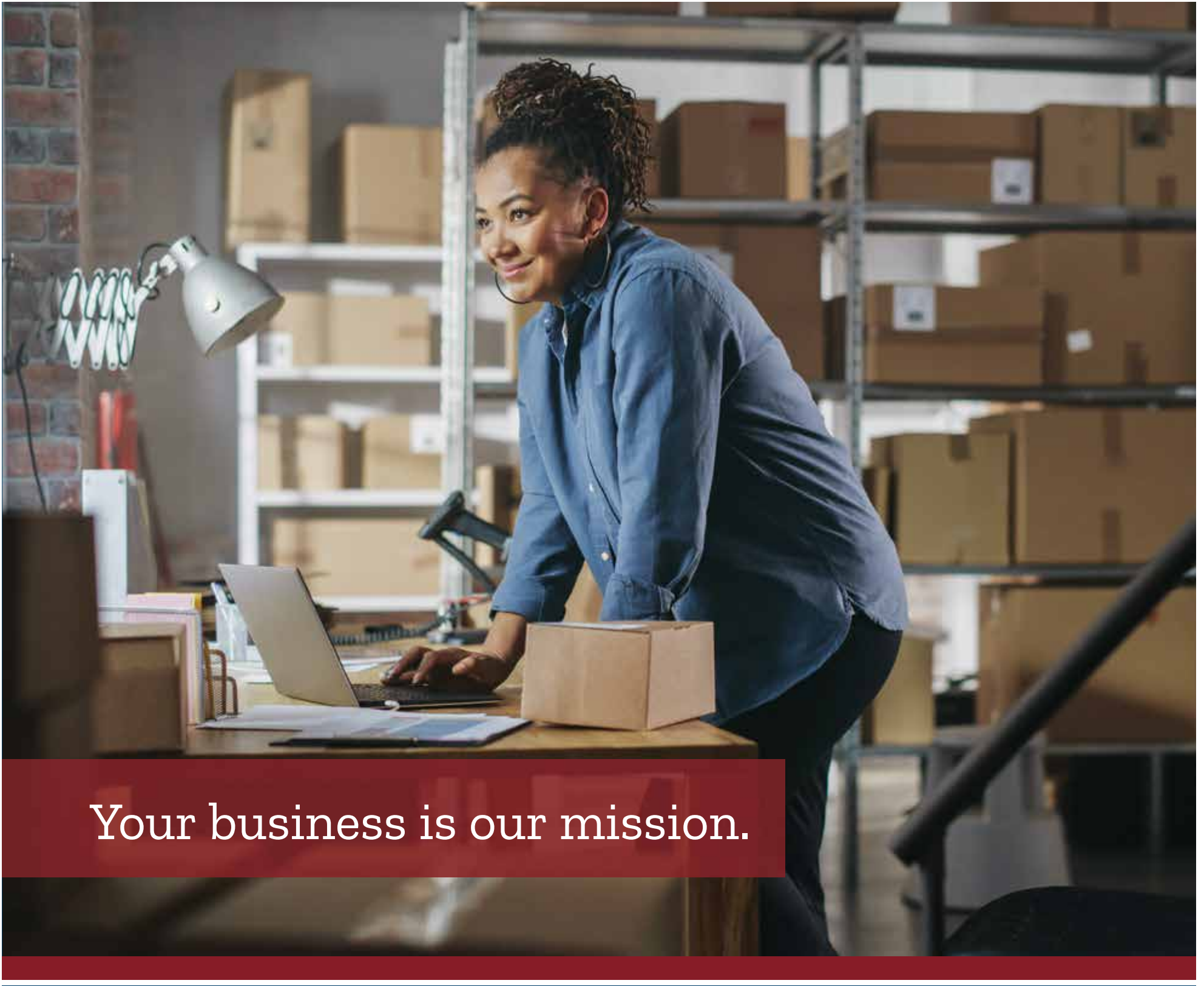
A COMPLETE GUIDE  
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## HEALTH INSURANCE



# Get Prescriptions at Home with TRICARE For Life

*Courtesy of TRICARE.mil*

**Do you often make trips to the pharmacy to pick up your prescriptions? For many, this process can be time consuming. If you have TRICARE For Life (TFL), you have pharmacy coverage through the TRICARE Pharmacy Program. This means you can use TRICARE Pharmacy Home Delivery.**

“Many TFL beneficiaries like the convenience of having their prescriptions delivered to their homes,” said Melanie Richardson, a pharmacist in the Purchased Care Branch at the Defense Health Agency. “TRICARE Pharmacy Home Delivery is an affordable, safe, and quick way to get medications you take on a regular basis.”

Read on to learn if TRICARE Pharmacy Home Delivery is right for you.

### Why TRICARE Pharmacy Home Delivery?

Here are five good reasons to sign up for home delivery.

- 1. TRICARE Pharmacy Home Delivery is convenient.** You don't need to set aside time for a trip to the pharmacy since your prescriptions are shipped to you.

Express Scripts, which administers the TRICARE Pharmacy Program, coordinates home delivery. Express Scripts will ship to any address in the United States and U.S. territories. This includes APO, FPO, and DPO addresses.

There are a few restrictions you should be aware of. Express Scripts usually can't ship prescriptions that need refrigeration to American Samoa, Guam, the Northern Mariana Islands, or other overseas locations. In Germany, you can't receive medications through home delivery, but you can receive medical supplies.

- 2. Wondering about costs?** Prescriptions you get from via home delivery may cost less than prescriptions you get from a retail pharmacy. You can receive up to a 90-day supply of your prescription for one copayment. This is delivered to you with free standard shipping. In contrast, you pay three copayments for a 90-day supply at TRICARE retail network pharmacies.

- 3. Home delivery comes with helpful features to manage your prescriptions.** You can manage home delivery prescriptions online, by phone, or with the free Express Scripts Pharmacy Mobile App. You can get notifications about your prescription and order status. They can also remind you to approve prescription refills.

- 4. Do you have questions about your medication?** Express Scripts has pharmacists who can help. They can answer your questions about side effects, dosages, and more. Pharmacists are available through your Express Scripts online account and the Express Scripts Pharmacy mobile app.

- 5. Get specialty drugs delivered to you.** As of March 1, Accredo provides specialty drugs and clinical services if you fill specialty prescriptions with home delivery. You may have to switch to home delivery if you take a specialty drug and use a retail pharmacy. This requirement follows changes to the TRICARE Pharmacy Program. Accredo is an accredited specialty pharmacy.

### Want to switch to TRICARE Pharmacy Home Delivery?

It's easy to switch to TRICARE Pharmacy Home Delivery. Here are your options for switching.

- Sign up online with Express Scripts at [www.express-scripts.com](http://www.express-scripts.com) or through the Express Scripts Pharmacy mobile app.

- Ask your doctor to submit your prescription electronically via e-Prescribe.
- Call Express Scripts at 877-363-1303.

### What are my other pharmacy options?

Your pharmacy options through TFL are:

- **Military pharmacies:** You can get up to a 90-day supply of most medications at no cost. Most military pharmacies accept prescriptions from civilian and military providers. Military pharmacies are usually located in military hospitals and clinics. Find military hospitals and clinics near you at [www.tricare.mil/mtf](http://www.tricare.mil/mtf).
- **TRICARE retail network pharmacies:** You can fill prescriptions at TRICARE retail network pharmacies throughout the U.S. and in most U.S. territories. You'll pay one copayment for each 30-day supply. Use the Express Scripts Find a Pharmacy tool to find a retail network pharmacy near you.
- **Non-network pharmacies:** You pay the full price up front at non-network pharmacies. You must file a claim for reimbursement. As noted in the TRICARE For Life Handbook, claims are subject to applicable TRICARE deductibles, copayments, and out-of-network cost-shares.

Regardless of what pharmacy option you use, the TRICARE Pharmacy Program provides the prescription drugs you need, when you need them. Check out the TRICARE Pharmacy Program Handbook at <https://www.tricare.mil/Publications/Handbooks/pharmacy> and the TRICARE For Life Handbook at [https://www.tricare.mil/Publications/Handbooks/tricare\\_for\\_life](https://www.tricare.mil/Publications/Handbooks/tricare_for_life) to learn more.

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# Q&A: What to Know as New TRICARE Contracts Begin in 2025

Courtesy of TRICARE.mil

New TRICARE contracts, known as T-5, will start on Jan. 1, 2025. Regional contractors manage administrative support services for the TRICARE benefit. This includes managing enrollment services, maintaining civilian healthcare networks, operating call centers, and processing TRICARE claims. The new contracts will improve health care delivery, quality, and access for beneficiaries living in the United States.

The Defense Health Agency (DHA) and the two regional contractors in the East Region and West Region are currently transitioning to these new contracts to ensure health care delivery is ready for all beneficiaries on Jan. 1, 2025.

“We are committed to keeping all of our military families informed about your health plan, your choices, and ensuring a seamless transition to new contractors,” said Lt. Gen. Telita Crosland, director of the DHA.

Here’s what you should know as the DHA transitions to the new contracts in 2025.

## Q: Will these changes affect me?

**A: The new contracts will affect you unless you have TRICARE For Life, the U.S. Family Health Plan, or a TRICARE Overseas health plan.** The contractors for these plans will stay the same. Your dental and vision coverage isn’t affected by this change either.

## Q: What do I need to do now?

**A: The only thing you need to do now is check the Defense Enrollment Eligibility Reporting System (DEERS) to confirm your information is current.** This will help make sure you don’t miss important communications about your TRICARE benefit and upcoming changes.

## Q: When do changes take effect?

**A: How you get your health care won’t change for the rest of 2024.** The same regional contractor will continue managing your health plan through Dec. 31, 2024:

- **East Region:** Humana Military
- **West Region:** Health Net Federal Services, LLC

Starting in fall 2024, you’ll receive communications from DOD and the new TRICARE contractors for each region. They will start delivering health care on Jan. 1, 2025.

- **East Region:** Humana Military. This is the current contractor, but six states currently in the East Region will move to the West Region.
- **West Region:** TriWest Healthcare Alliance Corporation. This is the new contractor.

Not sure which region you’re currently in? Go to <https://tricare.mil/regions> to learn more.

## Q: What changes can I expect?

**A: On Jan. 1, 2025, there will still be two TRICARE regions in the United States.** However, six states that are currently in the East Region will move to the West Region.

These states are:

- Arkansas
- Illinois
- Louisiana
- Oklahoma
- Texas
- Wisconsin



In total, the six states changing regions will affect about 1.1 million eligible beneficiaries.

Beneficiaries in all states will receive updates later this year. You’ll learn how the transition will happen—and any actions you need to take—so your TRICARE benefits continue uninterrupted.

## Q: What improvements does the new contract offer?

**A: The new contracts include a commitment to help you identify top-performing providers and improve access to highly specialized care.** “We’re excited about how T-5 improves choice and offers more flexibility to our military beneficiaries. It’ll help us deliver on our commitments to excellent

care and improved military readiness,” Crosland added.

Every change will help support you by providing:

- More efficient referral transfers between the two regions
- Greater access to highly specialized medical and surgical care (such as organ transplants)
- Improved choice, including virtual value network tools that will help you quickly identify providers with best outcomes
- Better access to telehealth appointments

Some changes to the TRICARE health plan will happen behind the scenes. These changes will include:

- Improving how military hospitals and clinics and civilian care work together to enhance patients’ experience
- Supporting innovation and health care industry best practices

## Q: How can I learn more?

**A: You’ll hear more about any actions you may need to take later this year.** In the meantime, stay tuned for more information about T-5 by signing up for email alerts from TRICARE via <https://public.govdelivery.com/accounts/USMHSTMA/subscriber/new>.



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# How to Get Mental Health Care with TRICARE

Courtesy of TRICARE.mil



**Staying healthy is more than just taking care of your body. Even when you're feeling good physically, you may notice you're unusually sad, anxious, or exhausted. If so, you may be experiencing symptoms of a mental health concern—and you're not alone. According to the Centers for Disease Control and Prevention, 1 in 5 adults in the United States live with a mental illness.**

TRICARE covers mental health services so you and your family can get the care you need. Using these covered services can help put you on a path to mental and physical wellness. "Paying attention to your mental health is key to your overall well-being," said Thomas Turnbaugh, LCSW-C, a behavioral health specialist at the Defense Health Agency. "If you notice that you're feeling different than usual—or if you're dealing with a major stressor—reach out to your provider right away to learn how you can get professional care." Here's more information about TRICARE-covered mental health services and how you can access them.

*Editor's note: If you or someone you know is struggling or in crisis, help is available. Call or text 988 or chat [988lifeline.org](https://988lifeline.org). This resource connects you with trained counselors who can help you get the help you need, 24/7.*

## Getting Emergency Mental Health Care

If you or a loved one is at immediate risk of harm to yourself or others, this is a mental health emergency. Call 911 or go to the nearest emergency room. You don't need a referral or pre-authorization. Just make sure to contact your TRICARE regional contractor within 24 hours (or the next business day) to coordinate care.

## Getting Non-Emergency Mental Health Care

Before seeking non-emergency care, talk with your primary care provider to determine which services are right for you. And check which services require a referral or pre-authorization.

Your options for getting non-emergency mental health care depend on your beneficiary category and health plan:

- **Active duty service members (ADSMs):** You should first seek non-emergency care at a military hospital or clinic. If you get services from a civilian provider, you'll need a referral or pre-authorization. ADSMs may also seek a mental health evaluation by making a request to their

supervisor. You don't need to explain why you're requesting one, and your information will stay confidential.

- **All others with TRICARE Prime:** You don't need a referral to see a network provider for in-office outpatient mental health services. Active duty family members may get non-emergency care from TRICARE-authorized non-network providers without referrals. But point-of-service fees will apply.
- **TRICARE Select:** You can see any TRICARE-authorized provider for mental health services. But your out-of-pocket costs will be lower if you see a network provider.
- **TRICARE For Life:** You don't need a referral or pre-authorization from TRICARE in most cases. This is because Medicare is the primary payer for mental health care. But if your Medicare benefits are exhausted, you'll need a referral or pre-authorization from TRICARE before you get mental health care.

## Covered Mental Health Services

TRICARE covers certain outpatient and inpatient mental health services, as detailed in the TRICARE Mental Health and Substance Use Disorder Services Fact Sheet. Visit [https://tricare.mil/Publications/Fact-Sheets/mental\\_health\\_substance](https://tricare.mil/Publications/Fact-Sheets/mental_health_substance) for more information.

## Outpatient Services

Outpatient treatment is available at some military hospitals and clinics. You can also get care from TRICARE-authorized civilian providers. Appointments may be in person or via telemedicine.

Some types of covered outpatient treatment include:

- **Psychotherapy:** Discussion-based therapy in individual, family, or group settings
- **Psychological testing and assessment:** Covered when medically or psychologically necessary, or during the assessment process under the Autism Care Demonstration
- **Intensive outpatient program:** Therapy and medication management where patients go to a treatment center for several days a week, a few hours at a time
- **Partial hospitalization program:** Daytime treatment, where the patient lives at home and commutes to get treatment for six or more hours per day, up to seven days a week

## Inpatient Services

You may need more intensive treatment that requires you to stay in a hospital or treatment center. If so, TRICARE covers:

- **Inpatient hospital services:** Treatment for concerns that require inpatient hospitalization (like psychiatric emergencies or substance use withdrawal symptoms)

- **Psychiatric residential treatment centers:** Extended care for children and adolescents who need 24/7 treatment in a therapeutic environment

Looking for a full list of covered mental health services? You can find more information on covered treatments. Or you can search for specific services on the Covered Services page.

*Note: Some mental health services may not be available overseas. Check with the TRICARE Overseas contractor for more information.*

## Mental Health Care Costs

Use the Compare Costs tool at <https://www.tricare.mil/comparecosts> to check your out-of-pocket costs for mental health services. You'll have lower costs by getting care at military hospitals or clinics or from TRICARE-authorized network providers. ADSMs have no costs for mental health services from or authorized by the Military Health System.

Mental health is health—and it's an important part of your overall wellness. Looking for a mental health provider? Check out the Find a Doctor tool at <https://www.tricare.mil/GettingCare/FindDoctor>. You can also find more resources and information on TRICARE's Mental Health Care page.



## HOMEOWNERS INSURANCE

# What Isn't Covered By My Homeowners Insurance Policy?

By Sean Scaturro MBA, CFP®, Courtesy of USAA

**When Hurricane Michael hit the Florida Gulf Coast as a Category 5 storm in 2018, it caused over \$25 billion in damage. Almost \$5 million of that damage was at Tyndall Air Force Base, according to an article from NPR.**

**For some homeowners it was more than a natural disaster. Many thought their standard home insurance policies would cover damage from the storm.**

**They were in for a rude awakening.**

Homeowners' policies may have exclusions or limitations for damages due to certain weather conditions like wind or hail. Flooding is also typically excluded, which can limit coverage for damage from heavy rains and storm surge.

Sadly, it seems many residents were not aware of the financial risks they faced—even if they knew they were in hurricane territory. Less than 40% of homes in the Florida Panhandle had active **National Flood Insurance Program (NFIP)** policies in place when Michael made landfall.

You might be thinking, "That would never happen to me!" But the unfortunate reality is that misconceptions about homeowners insurance are quite common, both in high- and low-risk areas. Far too many people live under the assumption that their policy covers just about everything. That's not the case.

"Gaps in homeowners insurance aren't always well-understood," says Sean Scaturro, Advice Director at USAA. "But misunderstanding the limits of your policy can be an expensive mistake."

If you want to reduce the unexpected costs of getting caught without coverage, it's important to understand what homeowners insurance doesn't cover. You may be able to insure against some additional unexpected losses with an endorsement or another insurance policy.

## Are Floods Covered by Homeowners Insurance?

Don't assume just because you aren't near a river or coastline that you aren't susceptible to flooding, which occurs any time groundwater enters a house. "If it can rain, it can flood," Scaturro says.

Keep these facts in mind:

- In 2021, the average residential flood claim resulting from Hurricane Ida was more than \$55,000, according to the **Federal Emergency Management Agency (FEMA)**.

- Just a few inches of water in a home can cause tens of thousands of dollars in damages.
- Flood insurance is available through USAA via the NFIP, which is underwritten by FEMA.
- There is usually a 30-day waiting period from the date of purchase before the policy goes into effect. So don't wait until disaster looms to buy coverage.

## Earthquake Insurance 101

You don't need to live on a fault line to incur earthquake damage, as defined by insurers. "It can be any kind of earth movement," Scaturro says. "So, if there is shifting, it's not covered by a standard homeowners policy."

Earthquake coverage can help protect against these potentially life-shaking events. Keep in mind:

- Quakes aren't limited to California. A temblor damaged the Washington Monument in 2011.
- The **U.S. Geological Survey (USGS)** updated its long-term seismic hazard maps in 2014, and they showed increased earthquake risk for half the country. In 2016 and 2017, USGS published short-term seismic hazard models from induced and natural earthquakes. They assessed the risk in various parts of the country for natural quakes and earth shifting caused by mining operations like hydraulic fracturing or fracking.
- You may be able to reduce damage from minor quakes by making improvements to potential trouble spots in your home.
- USAA offers coverage that can be added to homeowner policies. In California, members can buy a policy from the California Earthquake Authority.
- Renters get earthquake coverage at no extra cost when they purchase a USAA renters insurance policy.

## Supplemental Protection From Wind and Hail Damage

Mother Nature is unpredictable and often severe weather events like wind or hail storms—including tornadoes or hurricanes—can damage your home. While your homeowners coverage will



typically cover most weather-related events, your insurer may have certain coverage limitations, or you may have a different deductible for certain types of weather.

For example, supplemental windstorm insurance coverage from the USAA Insurance Agency usually protects your property from hail damage if you have broken windows, or dents in shingles and siding. Hurricane damage from collapsed walls, or damage to your roof, doors and windows from a tornado, may also be covered.

In some states (such as Florida and other high-risk areas), wind and hail damage are excluded as part of a general homeowners policy and requires separate windstorm coverage. It's important to review your policy to understand how your coverage would apply.

## Why You May Need General Liability Protection

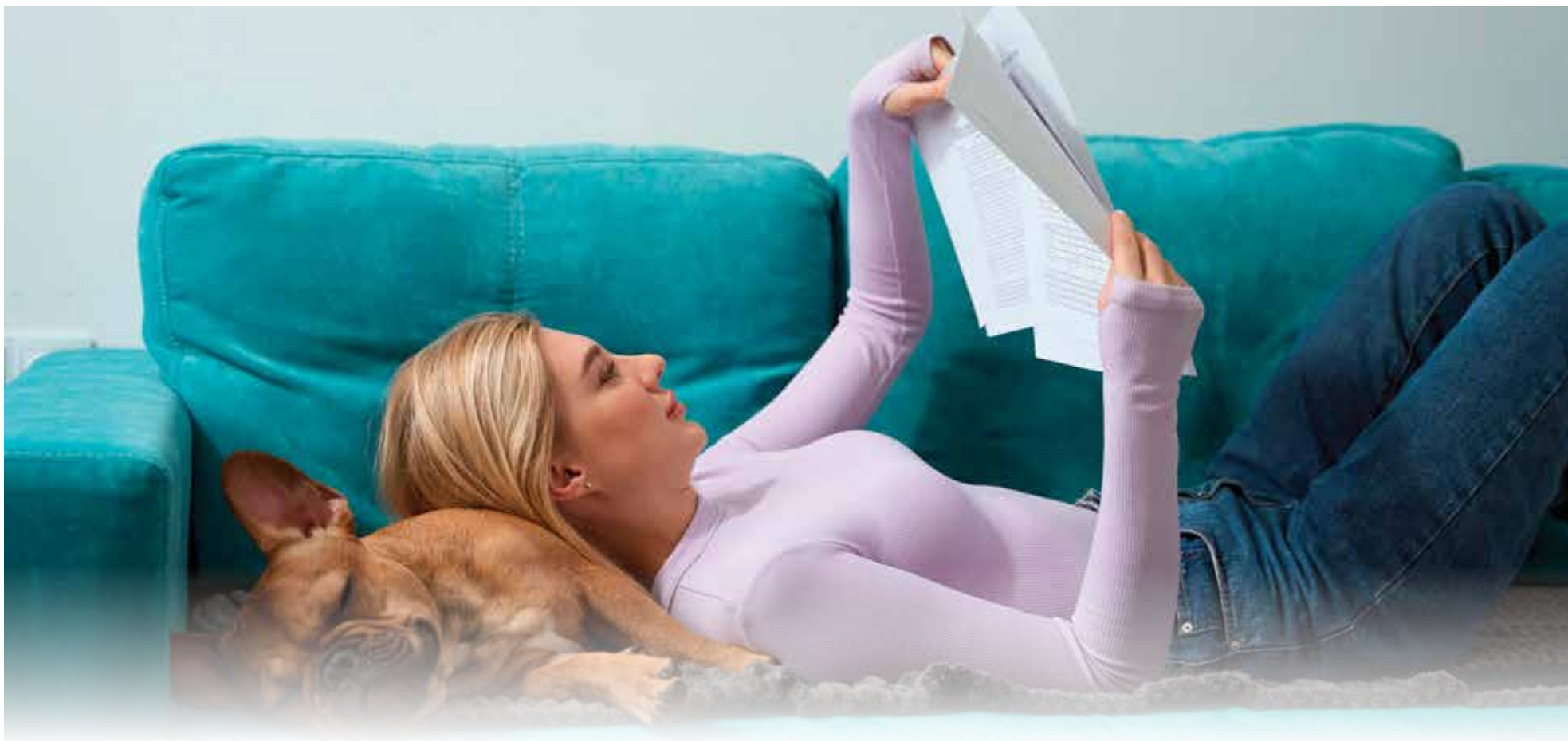
Weather isn't the only thing that can put your property and your finances at risk. Liability protection is a component of most homeowners insurance policies. Depending on your situation, your baseline liability protection through your policy may be adequate, however several situations might call for an umbrella policy which provides additional liability coverage. Some extra considerations include:

- **Do your children play contact sports? Do you own a large dog or have a swimming pool?** That could mean you have a higher-risk property.
- **Hosting** get-togethers, like a Super Bowl party or dinner gathering; or hiring contractors to come into the home to clean, make repairs or babysit, can leave you open to liability if someone is injured in your house.
- **Libel and slander may not be covered.** Maybe you had a bad experience at a restaurant and derided their poor work on social media. If the owners decide to sue, a standard homeowners policy may not be sufficient.

## Get to Know Your Insurance

When it comes to insurance, the best policy is to know your policy. The last thing you want when a natural disaster or other major incident occurs is to be caught without coverage you thought you had.

Talk to your insurer to make sure you understand what your policy does or doesn't cover—damage from flooding, earthquakes, wind, hail and liability—and whether you need additional home insurance coverage. Once you can clearly see the gaps in your coverage, you can decide how to protect yourself, your family and your finances. At the least, a well-stocked emergency fund can help you be better prepared.



# Renters Insurance: Do I Really Need It?

*Courtesy of Military OneSource*

Mastering your move and finding a good place for your family to live can take a lot of time and energy, so it's not surprising that something like renters insurance could be overlooked. However, this small cost could save you big money if something happens to your personal belongings.

## What is renters insurance?

Renters insurance is property insurance specifically designed for people who do not own their homes. If disaster strikes in the form of fire, vandalism, theft or any number of other ways, renters insurance means you won't be stuck paying to replace everything that was lost or damaged.

Whether you live on or off base, in a house, apartment, duplex or townhome, renters insurance, (minus the deductible) typically:

- Covers the cost of repairing or replacing your personal belongings, or provides you with the cash value of each item lost or destroyed (Reimbursement varies with different policies. Some policies offer reimbursement for the cost of the item minus depreciation. Full replacement value coverage is also available.)
- Provides continuous coverage as you move your military household goods.
- Covers costs including hotel, meals and laundry if you need to leave your rental during repairs.
- Offers protection against lawsuits if someone is accidentally injured in your rental.
- Covers your belongings even if they're damaged or stolen outside your rental.
- Covers food spoilage if a power failure results in food loss.

- Provides limited coverage for credit card fraud or check forgery.
- Typically does NOT cover loss or damage from hurricanes, floods, earthquakes, pests and certain dog breeds.

**There are two forms of renters insurance, broad and comprehensive.**

- **Broad form is the more limited and less expensive option.** It is also the most common form and usually offers coverage for specific events named in the policy—typically fire, lightning, explosion, smoke, vandalism, theft and water-related damage from utilities. Broad coverage can also provide personal liability protection against lawsuits if someone is accidentally injured in your home. It does not cover floods and earthquakes.
- **Comprehensive form covers everything unless not specifically excluded by the policy.** It will probably provide a higher personal liability limit and cost more.

Be sure to understand the details of the coverages, premiums and deductibles offered in the insurance agreement before making any choices. No matter which form you buy, if you own expensive items like jewelry, you may want to purchase additional coverage.

## Do I need renters insurance?

Unlike car insurance, renters insurance is not required by law. However, your landlord may require you to have a policy and it is usually a good idea. If you were to lose all of your personal possessions, could you afford to immediately replace them out of your pocket?

Check with your landlord or housing agreement to see what coverage you may already have and determine if additional coverage is necessary. Although your landlord may carry insurance on the property, it probably only covers the building in which you live, not your personal possessions.

If you live in government or installation housing, you may have renters insurance included, or you may only be covered for things damaged or stolen from your quarters. Make sure you understand exactly what the policy covers, as well as any restrictions. Some privatized housing policies only kick in after the dweller's personal insurance policy has paid out, and only cover losses over \$10,000.

## How much does renters insurance cost?

Depending on what you plan to insure, coverage is easy to find and may be cheaper than you think. For example, property valued at \$30,000 plus \$100,000 of personal liability coverage will likely run between \$15 and \$30 a month, with a deductible less than \$500.

Costs are very dependent on your geographic location, credit history, previous claims and deductible—so be sure to shop around and update your coverage annually, or as needed with each move or life event such as marriage, divorce or starting a family.

You can buy renters insurance directly from an insurance company or an insurance agent. Check with your state's department of insurance for names of insurers in your area. If you have a car or other types of insurance, ask your insurer about renters coverage—you might get a discount for bundling two or more types of policies.

Remember, the total costs for renters insurance, like other insurances, is the cost of the premium (usually paid monthly or annually) plus the deductible if you need to use the insurance coverage in case of an event.

Consider including the amount of your deductible as part of your emergency fund so that it's available if you need it. In some policies, you may not have to use the deductible for certain policy provisions, such as food spoilage. Be sure to carefully review the policy and check with your insurer if you have any questions.

## Insurance tips

Learn more in the Understanding Home and Renters Insurance fact sheet from the Office of Financial Readiness. Like all insurance purchases, do your research before you buy renters insurance. Taking the time to consider your options now can give you peace of mind—and could save you money later.

Another helpful insurance tip is to make an inventory of all your belongings. Having a record of all your belongings helps establish ownership and value and can make it easier for you to be reimbursed for loss or damage whether it happens during a move or while you are renting.

Questions about your move? Contact your Relocation Assistance Program service provider at your local Military and Family Support Center. You can also connect with Military OneSource relocation professionals 24/7/365 from anywhere in the world. Call 800-342-9647, use OCONUS calling options or schedule a live chat.



## LIFE INSURANCE



# GIVING THE GIFT OF LIFE INSURANCE

By Matt Lyon, Courtesy of USAA

**You're right: Life insurance is a financial tool that can provide financial protection for your loved ones after your death. But it's more versatile than you think. Although life insurance may not be a gift you'd like from a friend on your birthday, there are cases where it has some solid gifting potential.**

If you're a parent or grandparent—or if you have a cause you're passionate about—life insurance can provide lasting financial security for the people and causes you care about most.

Let's look at three common strategies for gifting a life insurance policy.

### 1. You can gift the death benefit.

When it comes to life insurance, a beneficiary is the person or organization who receives the death benefit when the insured passes away. Naming a beneficiary is one of the most important steps in the life insurance process, and it allows the death benefit to go directly to the intended recipient without going through probate.

Life insurance proceeds are usually tax free. If you think about it, the dollar amounts can be quite substantial—in some cases, hundreds or even millions of dollars. What better way to leave a legacy to your loved ones?

Of course, naming a beneficiary requires you to have life insurance. But even if you don't, buying life insurance is a straightforward process. In the application process, you'll name your beneficiary. Unless it's irrevocable, you can change it anytime.

You can also gift a policy to charity to ensure that your gift will support the organization's mission after you're gone. This is easy and just involves naming a charity or nonprofit organization as the beneficiary of your life insurance policy.

If this is your intention, be sure to research the types of life insurance well-suited for a charitable contribution. Permanent life insurance is usually a good fit if you want to leave a lasting legacy.

Regularly review your beneficiary designations to ensure they reflect your current wishes. Life changes like marriage, divorce or the birth of a child may require you to update your designations.

### 2. You can buy a policy for someone else.

You can also gift life insurance by purchasing a policy for a loved one. As long as they're aware of the policy and agree to it, this is a meaningful way to provide financial security for a child, grandchild or other family member.

It helps to understand life insurance contract roles before buying a policy for someone else.

- The owner controls the decisions of the policy.
- The insured is covered by the policy.
- The beneficiary receives the death benefit. The beneficiary can be a person or entity.

Parents or grandparents own policies that cover their children or grandchildren for a variety of reasons. Most often, they want to protect the children's future insurability, teach financial literacy or build cash value over time.

In general, it's easier to get life insurance for a child than it is to buy life insurance as an adult. That's because most life insurance companies don't require a medical exam for children. Generally, they'll issue the policy right away unless the child has a major health concern.

For more information, read about four lesser-known benefits of life insurance for children at <https://www.usaa.com/inet/wc/advice-insurance-for-children-benefits>.

When purchasing a policy for a loved one, you can choose between term life insurance, which provides coverage for a specific period, and permanent life insurance, which is intended to provide coverage for life. If you want to build a cash value, permanent life insurance policies are the way to go.

### 3. You can establish a charitable remainder trust.

A charitable remainder trust is a type of trust that works double duty. First, it allows you or a loved one to receive income from the trust during your lifetime. And after you die, the remaining funds go to a designated charity.

When you fund a charitable remainder trust with a life insurance policy, you transfer ownership of the policy to the trust. The trust then becomes the policy's beneficiary, and the policy pays out the death benefit to the trust upon your passing. The trust then uses the funds to pay proceeds to the designated beneficiary.

Be sure to consult with a financial professional or estate planning attorney to determine the best strategy for your individual needs and goals.



# Military Spouse Life Insurance: A Complete Guide

By Matt Lyon, Courtesy of USAA

**At USAA, we understand that military life can be challenging—not only for those on duty but for their spouses and loved ones as well. One of those challenges comes in the form of financial management. Whether it's managing day-to-day expenses or future financial planning, this responsibility often falls on the shoulders of a military spouse.**

Acting as the household CFO is just one of many contributions. From managing the home during a service member's deployment to caring for children to planning moves and working: Your contributions as a military spouse are vital to family stability. If something were to happen to you, the effect on your family would be devastating.

While your family can't replace your value emotionally, there would be a cost financially. That's why life insurance is an important tool in your financial toolkit. As a military spouse, you should take the time to review the valuable options you have available for life insurance.

## Understanding Family Servicemembers' Group Life Insurance (FSGLI)

Being connected to military service has its perks, one of which is the benefits package. And while life insurance policies offered through the military are like most group life policies, they're also designed with the military in mind.

For example, there's no medical exam when you sign up for a life insurance policy through the military, and there's a specific benefit available in case of traumatic injury.

Because of the fair cost of coverage and risks associated with military service, USAA recommends that active-duty service members accept the full amount of life insurance offered through the Department of Veterans Affairs' **Servicemembers' Group Life Insurance (SGLI)** program.

As a military spouse whose partner is enrolled in full-time SGLI, you have the option to enroll in FSGLI. In addition to protecting military spouses, FSGLI covers service members' dependent children.

SGLI and FSGLI help ensure that surviving spouses receive a death benefit to help with living and dependent care expenses. Life insurance can provide your family with a sense of financial security and help you build sound financial readiness.

## Who's Eligible for FSGLI?

FSGLI is open to a service member's spouse and dependent children. The service member must be either:

- On active duty and covered by full-time SGLI, or
- A member of the National Guard or Ready Reserves and covered by full-time SGLI

If your spouse has SGLI coverage, you may be eligible for FSGLI, regardless of your own military status.

## How Does FSGLI Work?

FSGLI coverage works like most group life insurance policies in that premiums are automatically withdrawn from the service

member's paycheck. FSGLI is free for children. Prices for spouses vary based on coverage and age range. More details are available on FSGLI at <https://www.va.gov/life-insurance/options-eligibility/fsgli/>.

## What Happens After Military Separation?

Unlike most group policies, FSGLI offers an option to transfer coverage to an individual insurance policy upon certain qualifying events. This window opens within 120 days from one of the following:

- Service member's separation from the military
- Divorce
- Written instruction from service member to end SGLI or FSGLI
- Death of the service member

During the 120-day window, you can convert your FSGLI coverage to a permanent policy with participating companies. Keep in mind that while these types of policies offer life-long coverage, the premiums can be higher.

## What if FSGLI isn't Enough?

In terms of total life insurance protection, at a minimum, consider securing enough life insurance to pay off all your debts and replace five years of income, according to USAA recommendations.

With children, a mortgage, college loans, car payments and other expenses, the payout from FSGLI could fall short of what your family needs. In fact, that's a common

occurrence with general coverage through group life insurance.

If you stay at home with children and don't work outside the home, it may be hard to determine how much income your family might need to replace. But don't overlook the value you bring to your family's finances.

According to recent surveys, the yearly salary for a stay-at-home parent is about \$184,820, based on their daily jobs and responsibilities. That's a big impact that life insurance can help preserve.

If you've determined FSGLI isn't enough, consider private, supplemental insurance. This coverage can remain in effect after your spouse separates from the military.

## Supplemental Life Insurance Options

Whether your spouse is active or Reserve duty, deploying or leaving the service, your family might consider USAA's level term life insurance policies. They provide supplemental coverage and features for you and your spouse. They include expedited coverage for deployment, coverage during wartime and severe injury benefits.

You also may have heard about a military future insurability rider. This is a unique rider offered to service members and their families that's called USAA's Military Protection Plus. This benefit is available through USAA's level term life insurance. It gives policyholders the option to replace some or all SGLI and FSGLI lost after the service member leaves the military. This allows a seamless transition from military coverage to civilian coverage.



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# Calculate Life Insurance Needs with this VA Tool

Courtesy of the U.S. Department of Veterans Affairs

The amount of life insurance you need depends on your personal and financial situation. The Veterans Affairs life insurance calculator can help you decide. Keep reading on this page to find out what information you'll need to use the calculator.

## Information you'll need to use the life insurance needs calculator

You'll need information about the items listed in the four categories below. If you don't know the exact dollar amounts for all these items, you can estimate.

### Category 1: Your survivors' financial obligations

These include expenses your survivors may need to pay right away, such as:

- Burial and funeral costs
- Health care costs (uninsured medical costs)
- Estate taxes
- Other estate-settlement expenses like legal fees

Financial obligations also include any money you and your survivors may owe (existing debts) or may need for planned living expenses, such as:

- Housing costs (your monthly mortgage or rent payments)
- Education costs (like children's college tuition)
- Car, home equity, or personal loans
- Credit card debt
- An emergency fund for unexpected expenses

### Category 2: The annual income available to your survivors

This includes any money your survivors will earn or receive each year from:

- A job
- VA dependency and indemnity compensation (DIC), sometimes called death pension benefits
- Social Security survivor benefits
- A survivor benefit plan
- Dividends and interest
- Other sources (like rental properties, private loan payments from others, or annuities)

### Category 3: The annual income your survivors need

This is how much money your survivors will need each year to continue supporting the standard of living you want them to have. Standard of living means level of wealth and comfort. It includes basic needs (like food and housing) and luxuries (like vacations or certain clothes or cars).

The calculator will ask you:

- How much money your survivors will need each year, and
- For how many years they'll need this income

### Category 4: Your survivors' assets

These are any items of value that may give your survivors a one-time (or lump sum) payment. If you have debts, your survivors may need to use these assets to pay off those debts.

Assets may include:

- Your Thrift Savings Plan benefit
- Current investments
- SGLI, VGLI, or other life insurance
- VA education benefits for qualified dependents
- Other lump sum payments

### How the calculator will estimate your life insurance needs

The calculator will use the amounts you enter for each item to determine:

- The net income needed to support your survivors. This is the annual income your survivors need minus the annual income available to your survivors.
- How much life insurance you may need. This is your survivors' total financial obligations and net income needs minus their assets.

The VA life insurance calculator can be accessed by visiting <https://insurance.va.gov/NeedsCalculator>.



**Note: This calculator is ONLY a guide. If you need more specific guidance about your situation, contact a financial planner.**

The screenshot shows the VA Life Insurance Needs Calculator interface. It includes a header with the VA logo and the text "U.S. Department of Veterans Affairs". Below the header, there is a section titled "Insurance Needs Calculator" with instructions: "Enter the information in the form below to calculate your life insurance needs. Click on the 'More Info' button next to each entry to view details explaining what information is needed. Please note the following special instructions: Items marked with an asterisk are required entries and must be filled in. Enter only whole dollar amounts, no cents. Do not enter commas or dollar signs. When you are finished entering your information, click the 'Calculate Life Insurance Needs' button at the end of the form. Note: VA's Life Insurance Needs Calculator does not include every financial situation that may affect you. The Calculator should be used as a guide only and is not a substitute for a financial planner. Your financial information is not saved or transmitted to VA."

The form is divided into several sections:

- Financial Obligations - Immediate Cash Needs:**
  - 1. Death Expenses\* (Burial and Funeral Costs, Uninsured Medical Costs, Estate Taxes, and Estate Settlement expenses such as legal fees) - More Info, \$
  - 2. Housing Costs (select one)\*:
    - I own my home
    - I rent my home
  - 3. Total Estimated Education Costs:
    - I want to estimate educational costs for my children
    - I don't need to estimate educational costs
  - 4. Car Loans Outstanding Balance - More Info, \$
  - 5. Home Equity Loans Outstanding Balance - More Info, \$
  - 6. Credit Card and Other Personal Debt - More Info, \$
  - 7. Emergency Fund - More Info, \$
- Income Needed to Support Your Survivors:**
  - Annual Income Available to Your Survivors:
    - 8. Annual VA Dependency and Indemnity Compensation (DIC) or Death Pension Income - More Info, \$
    - 9. Annual Social Security Survivor Benefit - More Info, \$
    - 10. Annual Survivor Benefit Plan Income - More Info, \$
    - 11. Annual Pension Plan Amount - More Info, \$
    - 12. Survivor's Annual Earnings from Work - More Info, \$
    - 13. Survivor's Annual Earnings from Dividends and Interest - More Info, \$
    - 14. Survivor's Other Annual Income (Money from Rental Properties, Private Loan Payments from Others, Annuities) - More Info, \$
  - Annual Income Needed to Support Your Survivors:
    - 15. Annual Income Amount Needed\* - More Info, \$
    - 16. Number of years income will be needed\* - More Info, years
  - Net Income Needed to Support Survivors. (Note: amounts less than zero will not be shown) - show net income, \$
- Assets:**
  - Lump Sum Payments Available to Your Survivors:
    - 17. Thrift Savings Plan Benefit - More Info, \$
    - 18. Current Investments - More Info, \$
    - 19. Servicemembers' or Veterans' Group Life Insurance Coverage - More Info, \$
    - 20. Other Life Insurance Coverage - More Info, \$
    - 21. VA Educational Benefits for Spouses and Children - More Info, \$
    - 22. Other Lump Sum Payments - More Info, \$

At the bottom right, there is a button labeled "Calculate Life Insurance Needs".

## AUTO INSURANCE

# 5 WAYS TO HELP LOWER AUTO INSURANCE RATES

By Sean Scaturro MBA, CFP®, Courtesy of USAA

The price you pay for auto insurance can vary by hundreds of dollars, depending on what type of car you have, where you live and how much coverage you need. It's great to save money, but it's also important to make sure you have the right amount of coverage.

"Don't get such a bare-bones policy that you put your financial assets at risk," says JJ Montanaro, a CERTIFIED FINANCIAL PLANNER™ professional with USAA. "You have insurance to limit the financial damage when something bad happens."

Consider these responsible money-saving tips:

### 1. Compare vehicle insurance costs.

Before you buy your next car—whether new or used—compare the insurance rates of different vehicles. Your premium is based, in part, on the make and model, the cost to repair it, the overall safety record and the likelihood of theft. Insurers generally offer discounts for features such as air bags or daytime running lights that reduce risk. Check out more on the latest safety features.

### 2. Consider raising your deductible.

A deductible is the amount of money you pay for repairs before your insurance policy kicks in. By requesting a higher deductible, you can lower your monthly premium substantially. Even increasing your deductible from \$200 to \$500 could reduce your collision and comprehensive coverage cost by 15 to 30%. "Just remember," Montanaro says, "this

is where your emergency fund comes in. If you're going to raise your deductible, have enough set aside to cover it."

### 3. Reduce physical damage coverage on older cars.

It may not make sense to keep collision coverage on low-value cars because the insurance costs could exceed anything you get back on a claim. Physical damage reductions offer the greatest savings with limited risk. You also can ask for an estimate of your car's trade-in value the next time you're at the dealership.

### 4. Research other discounts.

USAA, along with many other insurers, offers savings if you have more than one vehicle on the policy or are bundling coverages. You may also be able to find additional discounts for accident-free drivers and some defensive-driving courses. Check into new technology driven discounts for in-car devices or safe driving apps.

### 5. Maintain a good payment history.

While good driving habits are the best way to keep your insurance costs low, in some states, it's good to know how insurance credit scores can affect premium. Consistently paying bills and using credit responsibly can help repair a damaged credit rating. Examine your credit report for any mistakes and fight to fix them.



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# How Can a Safe Driving App Save You Money?

By Sean Scaturro MBA, CFP®, Courtesy of USAA

**Your auto insurance rate can be negatively impacted by factors beyond your control, like national driver demographic statistics or more claims from drivers in your area. Fortunately, there are ways you can save money with your insurance company, such as bundling multiple services or qualifying for discounts.**

**One way you might save is a safe driving discount. Insurance companies recognize that not all drivers are alike. They may reward drivers who do their part to make the road a safer place to be, avoid dangerous driving habits, and ultimately reduce the likelihood of an accident or another insurance claim.**

**So, what do you have to do to qualify for these discounts? And how much money can you save by participating in these programs? We'll walk you through what you need to know.**

## How do safe driving discounts work?

Just like the name implies, you can get a safe driving discount on your car insurance by driving safely. But how does your insurance provider know that you're a safe driver?

One way is to stay claim-free. If you maintain a good driving record over a period of time, many insurance companies will provide a discount.

Another option—and one that might get you a discount quicker—is to enroll in a safe driving program. When you sign up for these programs, you give your insurance provider permission to monitor your driving behavior to ensure you're being safe.

There are a variety of methods to do this. Some providers require drivers to install a tracking or telematics device in their vehicle, or they may use a service that comes preinstalled in your car.

Others, like the USAA SafePilot® program, use a mobile app that takes advantage of sensors in your phone and vehicle to capture data about your driving habits. All you do is download the app and start driving. It'll show you how well you're driving—and how you can improve.

Using this data, your insurance company provides any potential discounts you may receive on your auto insurance policy. Typically, your discount will be calculated and applied when your policy renews.

## Do I need a spotless driving record to get a safe driver discount?

You don't need to have a perfect record to qualify for a safe driver discount. Plus, insurance companies only use your driving information to calculate a discount—not to evaluate your insurability or increase your premium. That said, your rate may vary based on other factors.

## What if there are multiple drivers on my policy?

Each insurer's program may vary, but generally, if you have multiple drivers on your policy, your discount will be based on the average scores of all drivers. It may be wise to speak with your insurance provider to see how a safe driving program will apply to your unique household.

## What do safe driving apps and devices track?

To classify you as a safe driver and offer you a discount, insurance companies need a little more information than just your word. After all, don't most of us think we're better than the average driver? That's where technology comes into play.

Car monitoring apps and devices use GPS and sensors to capture details about how you drive. For example, they may collect:

- Where you drive, and the number of miles driven
- What time of day you drive
- How frequently you use your car
- Whether your braking and acceleration is smooth or abrupt
- How fast you drive and whether you're speeding
- If you're taking quick or sharp turns
- If you're making hand-held versus hands-free phone calls
- Whether you're handling your phone for texting or browsing
- Whether you're the passenger or driver of the vehicle

Every insurer, device and app are different. Not all insurers collect the same data about how you drive. Each program has its own methods for assessing driving behavior and applying discounts. What they all have in common, however, is that they're designed to help encourage and incentivize safer driving habits.

## How much can I save with a safe driver program?

Discounts vary by insurance company and available discounts. For example, the USAA SafePilot program offers up to a 10% discount when you enroll, and up to 30% off your premium when your policy renews and your discount is calculated.

After any discount is applied, your driving score resets and you have a clean slate to begin the next period until your policy renews again.

## How can I improve my driving score and save more money?

It's simple: The safer you drive, the more likely you are to receive a bigger discount on your premiums. But what does safe driving look like? There are two main tips that help improve your driving score:

### 1. Take it nice and easy.

Try to avoid slowing or stopping abruptly, accelerating quickly and making sharp turns. When other drivers on the road have less time to see and react to your vehicle, it can increase the odds of an accident. Of course, there may be times when you'll need to react quickly to avoid an accident yourself. However, it's typically safer to avoid abrupt changes in speed or direction when possible.

For some programs, driving during peak traffic times or late at night can impact your score. Others may also factor in the number of miles driven.

### 2. Avoid distractions.

You know texting and driving don't mix. But other phone use can be risky as well—even if it seems harmless. Make sure to set your navigation route before you begin driving and try not to take phone calls. If you must make a phone call while driving, it's usually safer to use the hands-free calling feature.

Other distractions like eating food, personal grooming and reaching for dropped items can impair your ability to react. If that leads to harsh braking or cornering, your driving score and potential discount might take a hit.

## Are there any risks with car monitoring apps?

If you're thinking about taking advantage of a safe driving discount program, you may be wondering whether there are any potential risks from allowing your insurance company to collect driving data.

Individual programs and providers may differ, but with USAA, you don't have to worry about driving data being used to increase your premium or influence your insurability. It's only used to calculate potential discounts.

Your privacy is taken seriously, and we'll never share your driving information with third-party or marketing companies, except as necessary for the administration of the SafePilot program.

If you sign up for the program but then change your mind and decide you don't want to participate, you can cancel your enrollment at any time.

## Get rewarded for being a great driver.

Driving safely is a smart choice for you, your passengers, and the drivers around you. If you can get rewarded for doing it, why not participate? It's a great opportunity to lower your insurance rate without raising your deductible.

While signing up for a safe driving program doesn't guarantee you'll earn a discount, it can be a great incentive to help you and other drivers on your policy develop safer driving habits.



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