

# Insurance & Financial Resource Guide

auto | home | life | health



# From the Commissioner

Oklahoma Insurance Commissioner Glen Mulready



I am pleased to present the Oklahoma Insurance Department's 2024 Insurance and Financial Resource Guide. This guide summarizes a quick financial planning process; and explains auto, home, renters, health, and life insurance.

The goal of the Oklahoma Insurance Department is to become more efficient and responsive to the needs of the public while encouraging a fair and competitive market for insurance. Our team at OID is proud to serve the people of Oklahoma.

Sincerely,

A handwritten signature of Glen Mulready in white ink, written in a cursive style.

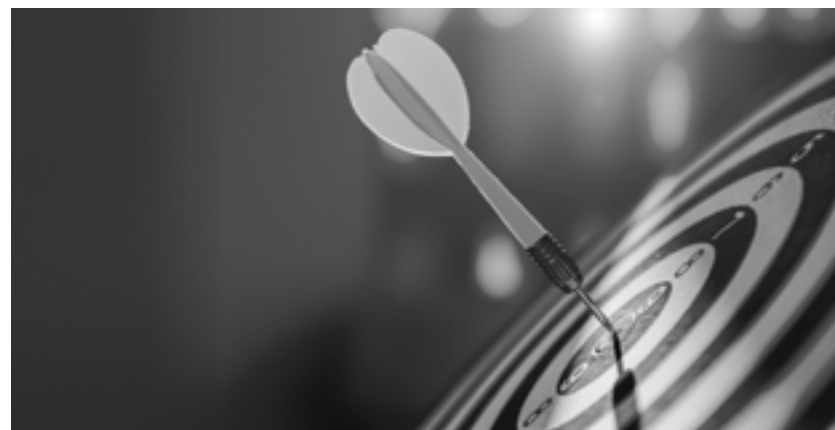
**Glen Mulready**

Oklahoma Insurance Commissioner

# Financial Planning:

A simple path to success

## 1. ESTABLISH goals



➔ Whether you're aiming to purchase a new home, plan for retirement, start a family, or determine your legacy for future generations, it's crucial to identify what matters most to you.

## 2. ASSESS your situation



➔ It's essential to review your current financial situation, including your savings, investments, insurance coverage, and other assets, as well as any outstanding debts such as student loans or mortgages.

## 3. IDENTIFY gaps



➔ After you've gathered all your financial details, a professional can help pinpoint areas that require attention.

## 4. MAP it out



➔ Address the gaps identified earlier by making financial decisions that align with your specific goals, timeline, and risk tolerance.

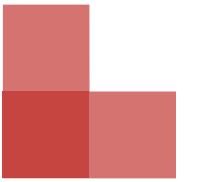
## 5. MAINTAIN & optimize



➔ A financial strategy demands ongoing care; it's not a one-time arrangement. You can continually adapt and refine your plan to accommodate shifting priorities and circumstances, ensuring you remain on course to achieve your goals.



# Auto Insurance.



## Why do I need auto insurance?

### Oklahoma requires 25/50/25 minimum liability coverage.

The first “25” represents a maximum of \$25,000 paid out to any one person injured in an auto accident where you are at fault. The “50” represents a maximum of \$50,000 paid out for injuries to two or more people as a result of the accident. The final “25” represents a maximum of \$25,000 paid out for any and all property damage of others that you caused.

### To satisfy your lender.

If you have a car loan, most lenders require you to have comprehensive (other than collision) coverage and collision coverage in addition to the liability coverage required by the state.

### To protect you from financial loss.

If you cause an accident, liability insurance will help you pay for damage to another person’s vehicle or for costs associated with their injuries. The state requires minimum coverage but that may not be enough to protect you if the damages you caused exceed the amount of liability insurance you purchased. You may also need collision coverage for accident-related repairs to your own vehicle.

# Auto Insurance.

## Did you know?

The Oklahoma Insurance Department (OID) provides sample profiles of auto insurance rates offered in the state of Oklahoma.



## Auto Insurance Basics

### 01.

A liability policy covers injuries you cause to another person and damage to their property up to the amount of liability coverage you purchased.

### 02.

Uninsured Motorist coverage is an endorsement. By state law, if you do not wish to purchase this coverage you must reject it in writing.

### 03.

Comprehensive, or other than collision coverage, will cover damage to your car caused by wind, hail, theft, or hitting an animal (your policy will be more specific).

### 04.

Medical payments may also be available as an add-on to cover your injuries regardless of who is at fault.

### 05.

Uninsured Motorist (UM) provides coverage for physical injury only and not your property damage caused by a hit-and-run driver or driver who has no auto insurance.

### 06.

Underinsured Motorist (UIM) provides coverage for your physical injuries only and not property damage when the at-fault driver has insurance but not enough coverage to pay for your losses.

### 07.

Collision covers damage to your vehicle when you collide with another object or vice versa.

### 08.

If you have special equipment, or aftermarket accessories, you may need to insure those items separately in order to ensure coverage.



Auto Insurance

# Frequently Asked Questions

## What do I do if I can't get auto insurance?

AIPSO is the service provider of choice to the automobile insurance residual market, also known as the market of last resort. The Plan's purpose is to provide automobile insurance coverage to eligible private passenger and commercial risks who are unable to obtain coverage through the regular insurance market.



## What is telematics?

It is a computer in your vehicle or an app on your mobile device that can monitor and report on nearly every detail from speed and idling to fuel use, low tire pressure, and more. This information, or telematics data, can help save on vehicle maintenance costs or improve fuel efficiency by learning more about driving habits. With telematics, the better you drive, the more you can save. Some car insurance companies advertise that drivers can save up to 25%, 30% or even 40% on their premiums for being a safe driver with a telematics program.

## Do I need to have my own insurance to drive Uber or Lyft?

As required by law, you must maintain personal automobile insurance at mandatory minimum limits and provide proof of your insurance to drive with Uber and Lyft. Uber and Lyft maintain commercial auto insurance on your behalf for ridesharing and delivery activities when you're driving on their platforms. However, you should check with your insurance provider about obtaining the appropriate insurance coverage for any rideshare activities.

# Home Insurance.

## Why do I need homeowners' insurance?

To protect you from financial loss if your home is damaged or destroyed by one of the causes listed in the policy.

To satisfy your mortgage lender. Most lenders require homeowners' insurance to cover the unpaid mortgage on the dwelling.

### What the policy usually covers:



- ➔ Your house and other structures on your property. Typically, other structures, such as out buildings, are insured at 10% of the amount of insurance on your home.
- ➔ Personal belongings inside your home or on your property.
- ➔ Your personal liability for injury or damage you cause others.
- ➔ Medical payments for others accidentally hurt on your property (differs from liability coverage).
- ➔ Additional expenses if you must live somewhere else while your home is being repaired.

### What the policy usually doesn't cover:



- ➔ Flood
  - Flood insurance is a separate policy that can cover buildings, the contents in a building, or both, so it is important to protect your most important financial assets — your home, your business, your possessions. To find a flood insurance provider, visit <https://www.floodsmart.gov/flood-insurance-provider>.
- ➔ Earthquake, landslide or mudslide
- ➔ Sewer backup
- ➔ Other specific exclusions in your policy

## Market Assistance Program

The Oklahoma Market Assistance Program (OK-MAP) assists Oklahoma consumers who are unable to obtain homeowners insurance coverage through the regular market. They assist consumers who were declined by at least two insurers. OK-MAP will offer the policy to three insurance carriers, and if no carriers accept the policy, OKMAP can assign it to one of the carriers or determine the risk is uninsurable.





# Home Insurance.



## Did you know?

You may be able to buy additional coverage for some or all of the events your homeowners policy doesn't cover.

There is limited coverage for these items:

- ➔ Guns, jewelry, electronics, collectibles and antiques (limits would apply if loss was due to theft)

The costs of meeting updated building codes (ordinance or law coverage) would typically need to be added to the policy.

## Why do I need renters insurance?

To protect you from financial loss if your rented home or apartment is damaged or destroyed by one of the causes listed in the policy. Your landlord's insurance will only cover the building you live in, not your personal contents or legal liability.



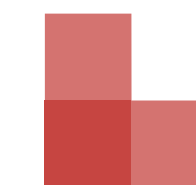
## What the policy usually covers:



- ➔ Fire or Lightning
- ➔ Windstorm or Hail
- ➔ Theft (same reduced limits placed on personal property by all homeowners insurance)
- ➔ Additional Living Expenses



# Life Insurance.



## Who needs life insurance?

- ➔ Anyone whose family depends on their income for support.
- ➔ Anyone with a mortgage or outstanding loans.

## Why buy life insurance?

- ➔ To cover the financial impact, including final expenses, of an unexpected or untimely death.

## Things to consider:

- ➔ You want coverage and a policy that fits your needs.
- ➔ You want a premium you can afford and stick with.
- ➔ Choose the combination of policy premium and benefits that emphasizes protection in case of early death, benefits during a long life or a combination of both.



# Life Insurance.

## How much life insurance do you need?

Ask yourself these questions:

1. How much of the family income do I provide?
2. If I were to die early, how would my survivors, especially my children, get by?
3. Does anyone else depend on me financially – a parent, grandparent, brother, sister or child who doesn't live with me?
4. Do I have children in college who depend on me?
5. How will my family pay for my final expenses and repay debts after my death?

There are many types of life insurance. If you are young and need lower premiums in the beginning, then ask about Term Life Insurance. It offers the largest insurance protection for your premium dollar and pays the benefit to your designated beneficiary upon your death. It has no cash value. All policies are not the same. Some give coverage for your lifetime and others cover you for a specific number of years. Some combine different types of insurance and others let you change from one kind of insurance to another. Some policies offer other benefits while you are still living. You will want to talk to an agent or broker about your options based on your needs and ability to keep the policy over time.

### What is Term Life insurance?

Term Life provides coverage for a limited number of years and expires without value if the insured survives the stated period, which is typically 5 to 20 years. Such periods generally cover the needs for temporary protection.

### What is Whole Life insurance?

Permanent level insurance protection for the “whole of life” from policy issuance to the death of the insured. Characterized by level premiums, level benefits and cash values.

# Life Insurance.

My father has passed, and I believe he had life insurance. How can I locate that?

Every year, millions of dollars in life insurance benefits go unclaimed. To help Oklahomans locate unclaimed benefits, the Oklahoma Insurance Department (OID) launched the Life Insurance Policy Locator through the National Association of Insurance Commissioners (NAIC) in 2016. The OID has connected Oklahomans with a total claim amount of over \$160 million since it was created. The LIPL Service is a free online tool that helps connect beneficiaries with policies. The policy locator requests are secure and confidential. The companies then are responsible for contacting beneficiaries.



# Other Insurance.

## What is an annuity?

An annuity is a cash contract with an insurance company. Unlike life insurance products where policy issue and pricing are based largely on mortality risk, annuities are primarily investment products. Most annuities guarantee a death benefit payable in the event the annuitant dies before payout begins. This death benefit is usually limited to the amount paid into the contract plus interest paid. Personal belongings inside your home or on your property.



## What is title insurance?

A title is the evidence of right that a person has to the ownership and possession of land. It is possible that someone other than the owner has a legal right to the property. If that right can be established, this person can claim the property outright or make demands on the owner as to its use.



# Health Insurance.

## Who needs health insurance?

EVERYONE. Federal law requires all of us to have comprehensive medical coverage, also called minimum essential coverage. You can obtain it through an individual plan or through your employer.

People who want to avoid filing medical bankruptcy due to extensive medical care.

People with chronic (life-long) conditions that require regular doctor visits, testing, special equipment and/or prescription drugs.

People who engage in team sports, recreational activities, thrill-seeking sports, etc.



## Are there health coverage options for the unemployed?

### COBRA

COBRA provides certain former employees, retirees, spouses, former spouses, and dependent children the right to temporary continuation of health coverage at group rates.



### SOONERCARE

SoonerCare is Oklahoma's Medicaid program and is administered by the Oklahoma Health Care Authority (OHCA). SoonerCare works to improve the health of qualified Oklahomans by ensuring medically necessary benefits and services are available. Qualifying Oklahomans include certain low-income children, adults, families, those with disabilities, those being treated for breast or cervical cancer and those seeking family planning services.





# Health Insurance.



## What does health insurance cover?

All ACA-compliant policies provide for at least 10 essential health benefits:

- 1.** Lab Tests
- 2.** Outpatient Care
- 3.** Prescription Drugs
- 4.** Trips to the Emergency Room
- 5.** Treatment in the hospital for inpatient care
- 6.** Care before and after your baby is born
- 7.** Pediatric services including dental care and vision care for children
- 8.** Preventive services including counseling, screenings, and vaccines to keep you healthy and care for managing a chronic disease
- 9.** Mental health and substance use disorder services including behavioral health treatment, counseling, and psychotherapy
- 10.** Services and devices to help you recover if you are injured or have a disability or chronic condition. This includes physical and occupational therapy, speech-language pathology, psychiatric rehabilitation, and more.

# Health Insurance.

## Did you know?

You can't buy health insurance after a medical event to cover you retroactively.

No insurance company can deny you coverage for your medical condition or for having a pre-existing medical condition. They can only charge you according to your age, where you live, tobacco use and if you are covering yourself only or yourself and your dependents.

There are only certain times you can apply for coverage – Open Enrollment or Special Enrollment.

There are other medical policies sold outside of the enrollment periods, but many are not comprehensive major medical plans that fall under the requirements of the ACA. These policies are often limited benefit plans that may leave you with huge medical bills.

American Indians and Alaskan Natives have special protections under the Affordable Care Act including enrollment at any time.



## What is long-term care insurance?

Long-term care is not covered by Medicare so some individuals purchase long-term care insurance to help pay for the cost of care, should they need it. The first step is determining if this insurance is appropriate for your situation. If it is, shop around. No two policies are the same and several factors affect your cost and coverage – health status, risk factors, finances, preferences, age, and family status.

## Is Long-Term Care Insurance Right for You?



## What is Medicare?

Medicare is health insurance for people 65 or older. You may be eligible to get Medicare earlier if you have a disability, End-Stage Renal Disease (ESRD), or ALS (also called Lou Gehrig's disease).



Have other insurance questions?

Visit our website [OID.OK.GOV](https://oid.ok.gov)  
or call our Consumer Assistance Department  
**405-521-2828 | 1-800-522-0071**

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