

Commissioner Navarro Responds Strongly to Report of Premium Increases on Members of the Military

Action, legislation, and investigations into “patriot penalties”

Delaware Insurance Commissioner Trinidad Navarro responded strongly to a Consumer Federation of America report that Delaware service members may return home from deployment to increased auto insurance premiums, calling the practice completely unacceptable and issuing a formal bulletin to insurance companies about the illegality of this practice in Delaware. Commissioner Navarro plans to work with the General Assembly to expand protections from the “patriot penalty.”

“Service members and their families deserve to be treated like the heroes they are, returning home to gratitude and respect, not financial penalties,” said **Commissioner Trinidad Navarro**. “If a member of the military terminates their auto insurance because they are serving away from home and no longer using a personal vehicle – whether in another state, another country, or in international waters – they are making a personal financial decision that should not increase their auto insurance rates in the future.”

Last week, [the Consumer Federation of America distributed a letter to Insurance Commissioners](#), detailing an investigative report that shows that service members who incur a lapse in coverage due to deployment are later charged higher premiums, even when the company is aware that the lapse is due to deployment. While the department is not aware of specific residents experiencing this issue, report indicated that

Delawareans returning from deployment may be facing these increased costs, [prompting a passionate response from Commissioner Navarro](#).

“It is absolutely outrageous and unacceptable to allow any insurer to charge a higher premium to a member of the military solely because they didn’t maintain insurance coverage when they were sent abroad to serve,” said consumer advocate **Doug Heller**, an insurance expert for Consumer Federation of America. “We thank Commissioner Navarro for being so quick to stand up for servicemembers and do whatever it takes to ensure that no company charges a Patriot Penalty in Delaware. We hope other Commissioners will follow his lead.”

Delaware banned this practice in 2008 after a resident who served in Iraq for more than a year experienced a premium increase upon return, extending the protection to spouses that accompany a service member in overseas service as well. Currently, the law is only applicable to deployments outside of the continental United States, but Commissioner Navarro wants to change that.

“Members of our armed services should be protected from the ‘patriot penalty’ regardless of the specific location of their deployment,” stated **Commissioner Navarro**, who also intends to remind insurers of their existing legal obligations and responsibilities to residents who serve overseas and their accompanying spouses via a formal bulletin to the insurance industry, stating that the practice is “illegal in Delaware and is punishable to the full extent allowed under the Delaware Insurance Code.”

The department encourages residents to share this information with military members and their families to increase awareness and caution when reviewing auto insurance rates and quotes. Anyone who thinks that they may have experienced a “patriot penalty” is urged to contact the department right away. Should individuals come forward with this concern, the auto insurance

company where this occurred will be investigated thoroughly and appropriate action will be taken if the company is acting contrary to Delaware law.

Contact the Delaware Department of Insurance by visiting insurance.delaware.gov, emailing consumer@delaware.gov, or calling (302) 674-7300.

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