

Forum

A monthly publication reporting on issues affecting the insurance industry in Ohio

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Costly illnesses trigger about half of all personal bankruptcies. Further, most of those who bankrupt because of medical problems have health insurance, according to a study by Harvard University.

Researchers from Harvard's law and medical schools said the findings underscore the inadequacy of many private insurance plans that offer worst-case catastrophic coverage, but little financial security for less severe illnesses.

Illness and medical bills were cited as the cause, at least in part, for 46.2 percent of the personal bankruptcies in the study. Dr. David Himmelstein, the study's lead author and an associate professor of medicine, said the figure rose to 54.5 percent when three other factors were counted as medical-related triggers for bankruptcies: births, deaths and pathological gambling addiction.

The study estimates medical-caused bankruptcies affect about 2 million Americans each year, counting debtors and their dependents, including 700,000 children.

Most of those seeking court protection from creditors had health insurance, with more than three-quarters reporting they had coverage at the start of the illness that triggered bankruptcy. However, 38 percent had lost coverage at least temporarily by the time they filed for bankruptcy, with illness frequently leading to the loss of both a job and insurance.

Researchers distributed questionnaires to 1,771 bankruptcy filers in 2001 in California, Illinois, Pennsylvania, Tennessee and Texas. That year, there were 1.46 million personal bankruptcies in the United States. □

Putting a cell phone in the hands of young drivers drastically hurts their abilities, according to a study conducted at the University of Utah. Researchers found that when motorists between 18 and 25 talk on cell phones, they drive like elderly people – moving and reacting more slowly and increasing their risk of an accident. Researchers also found that it doesn't matter whether the phone is hand-held or hands free.

David Strayer, a University of Utah psychology professor and principal author of the study, said a 20-year-old behind the wheel with a cell phone becomes the equivalent of a 70-year-old driver. Further, researchers concluded that motorists who talk on cell phones are more impaired than a drunken driver, putting the equivalent blood-alcohol level in excess of .08. □

Bankruptcies

Half caused by illness, medical bills

Cell Phones

Young motorists drive like the elderly when talking on a cell phone

Health Insurance

Out of reach for many diabetics

Some of the U.S. residents who need health coverage most have the hardest time getting it.

The American Diabetes Association helped to release an analysis of coverage-access problems based on a study of diabetes association activities conducted by researchers at Georgetown University.

Researchers analyzed information about 851 people with diabetes who called the diabetes association for help with health insurance problems. Only 40 percent of the diabetics who called had health coverage, and half of those diabetics were about to lose their coverage, according to researchers.

The diabetes association was able to help 20 percent of the callers get health coverage, but found that no source of coverage was available for 20 percent of callers. In 60 percent of the cases, callers were eligible for help under some kind of law or program, but the help turned out to be inadequate to solve the callers' problems. □

Motorcycle Theft

LoJack offers relief

Motorcyclists have a new partner in the fight against theft. The company that created the global stolen vehicle recovery system for autos and then applied it to commercial vehicles and construction equipment has announced a new product for motorcycles.

LoJack for Motorcycles includes a small wireless radio frequency transceiver that is hidden in one of several locations on the bike. Once the motorcycle is reported missing, state law enforcement computers match the vehicle identification number to the LoJack address. After this match, the LoJack system is automatically activated, emitting silent radio signals from the small radio transceiver. Law enforcement vehicles with LoJack tracking computers follow these signals, which lead them to the stolen bike.

According to the National Insurance Crime Bureau, motorcycle theft is a growing problem, up 55 percent from 2002 to 2003.



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