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## Business at Home?

Imagine that you are hosting a product party for your new network marketing venture and your dog bites one of your guests. What if your part-time administrative assistant slips and falls carrying computer supplies from your basement to your upstairs home office, or a kitchen fire burns up not only your cabinets but also the extra inventory you were storing in the pantry closet?

Will your homeowners policy respond for such losses since they occurred in the home? Not necessarily. A typical homeowners policy limits claims for business property to about \$2,500, but

check your policy for its particular limits. Additionally, your homeowners policy usually excludes coverage for liability arising from your home-based business. That would mean you would have no coverage for injuries to clients, customers or helpers.

If you operate, or are just considering operating, a business in your home, please contact us immediately to review how your current coverages will respond to your

business protection needs. Operating some businesses without notification to your insurer could render some of your insurance protection invalid, so don't delay.



## Reduced Coverage for Self-Storage Facilities

In the last decade, the amount of property stored in self-storage facilities has exploded around the country. The newest homeowners insurance forms, however, restrict the amounts of coverage on such property to below what has been previously provided. The new forms explicitly reference self-storage facilities and establish a limit on insurance of 10% of the homeowners policy's personal property limit.

If you keep lots of items or even a few very expensive things in a self-storage facility, you might require some insurance chang-

es to accommodate your stored property. If you store ATVs or other recreational vehicles or watercraft, you will need to be especially careful, since many of these are excluded from coverage under your homeowners insurance.

Many storage companies explicitly state in their contracts that insurance for the contents in the storage space is the responsibility of the tenant. The good news is that endorsements (additions) to your homeowners policy are available so you can obtain coverage for your stored property.

## Your Jewelry Could Be in Danger



According to the Department of Justice, jewelry accounts for 70% of all personal property theft losses each year. If your jewelry exceeds the coverage limit on your homeowners policy, you will need to get special insurance that specifically protects your pieces.

A typical homeowners insurance policy limits coverage for jewelry to a fairly small amount—maybe \$1,000 or \$2,500. That may seem like a lot of coverage at first glance, but keep in mind that gold prices have skyrocketed and that many wedding-ring sets exceed that amount all by themselves. If you are robbed and your rings are stolen or your home is burglarized and all of your gold is taken, you might find your insurance claim check very disappointing.

The first step in getting your jewelry insured properly is assessing its true value. Update the appraisals of your jewelry, especially your nicest pieces, then call your agent to determine if you need to put your items on a special schedule to get them fully insured.

## Coverage for Multi-Generational Homes

Over the past 20 years, the percentage of multi-generational families living in the same household has increased significantly. Such households now represent more than 20% of current homes, according to one national survey.

The good news is that a homeowners insurance policy is designed to cover the home and all the contents inside of it, barring those specifically limited or excluded by the policy language. That means that it doesn't matter who "owns" the things in the home. The people who live there are also covered for their liability should they injure someone or damage someone's

property. It doesn't matter if they are the homeowner's teenage children or their septuagenarian parents; the residents are insured.

The important thing is to make sure you tell your agent about all residents at the time of your application for insurance. If your living situation changes during your policy period, you need to bring the changes to your agent's attention so appropriate notifications can be made to your insurer. The likelihood is that your coverage and premiums won't change much or at all, but you never want to leave off information concerning your coverage.

## Seasonal Use of a Vehicle

**A**s winter approaches, many insureds' thoughts turn to winter and warmer climes.

If you travel without your vehicle, it may seem that canceling or significantly reducing your auto insurance could save some money, but don't be hasty. Your car insurance does more than just insure that vehicle while driven.

Your auto insurance provides liability coverage for you when you drive other cars, and it insures against damage to others' property caused by your vehicle. For example, if you were to park your car in your driveway and it for some reason rolled, hitting another vehicle, your auto liability insurance would pay, even though you weren't behind the wheel.

Numerous events can happen while you are gone, including storms



and fires, so keeping comprehensive coverage is very important—even if you aren't going to use your car for a few months. If you are looking for ways to save on auto insurance for a seasonally used vehicle, we may have some ideas you haven't considered. Give us a call to find out more.

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## Personal Trusts Can Affect Insurance

**P**ersonal trusts are a rapidly growing technique often recommended to simplify probate and inheritance concerns.

Yet a basic necessity of such trusts can create a significant problem for your home and auto insurance.

Beyond all the legalities, the basic problem is generically stated: In order to function properly, the trust takes title to your property. So now you are driving a car or living in a home you no longer legally own. Yet by its very name, a homeowners policy assumes the persons named on the policy do, in fact, own that house. Personal auto policies operate under the same assumption. In effect, when you establish the trust and transfer title of your property into the trust, you are no longer a homeowner, but the tenant of a trust landlord. You no longer own the car, but are a permissive user of a trust-owned car.

As insurance policies are legal contracts, any legal change in



ownership of the covered property of necessity leads to the need to change those policies to reflect the new reality. This is often as simple as attaching the necessary endorsements to your existing

policies, but in some cases you may require entirely new coverage. If you now have, or are discussing the usefulness of, such a personal trust for your probate and inheritance needs, include us in the planning.

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### **Thank you for your referral.**

If you're pleased with us, spread the word! We'll be happy to give the same great service to all of your friends and business associates

## **Cars at College**

While a child is still living in the parent's home, auto coverage issues tend to revolve around rates and traffic tickets. But a student taking a family car off to a distant college campus raises a new set of coverage concerns.

Considerations include the principal parking location of the vehicle; insurance laws in the new location, if different from your resident state; use of the car as part of your child's business duties; or a vast increase in the annual mileage. There may also be an increase in liability risks, unfortunately, as children move out from under their parents' watchful eyes.

If you're allowing your child to take a car to college this fall, talk with us about your coverage to be sure the protection you want is the protection you have.