



Personal Perspective

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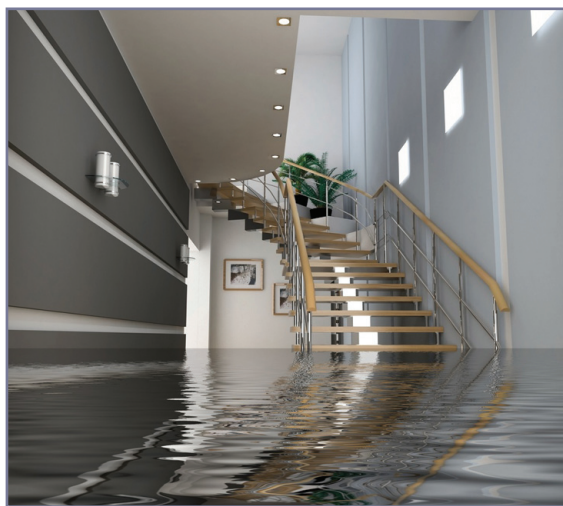
Sewer Backup in the Home

Sewer backup is a messy, potentially harmful situation that can cost a lot in cleanup and housing content damage.

Unfortunately, unless specifically requested, most standard home insurance policies will not cover the cost to clean up after a sewage backup.

If the backup is severe, there may be additional concerns that go beyond property damage, according to RestorationSOS. Its website lists a number of illnesses associated with exposure to sewage, including gastroenteritis and hepatitis. Exposure can also cause other damage to the liver, kidneys and blood as well as infections of the skin and eyes.

The organization reports that the most common cause of sewer backup is “solid flushes”—a term that describes the blockage of the pipe between the home and the city main, usually caused by solid objects flushed down a household drain. Other common causes include structural defects and root infiltration.



Although a water backup endorsement to your homeowners policy won't cover illness, it can cover property damage. To add this coverage to your policy and insure the cost of repairing damage from sewage backup, give our service team a call.

Rental Car Agreements

If you regularly rent cars, you know that the rental agent will ask if you want to purchase the “Loss Damage Waiver” (LDW). What should you say?

If you have a personal auto insurance policy for your own vehicle(s), it will extend to cover your use of a rented car. However, there are important limitations that could result in large out-of-pocket expenses. Consider the following:

You may have to pay for any coverage gap. Your auto insurer will pay if you currently carry collision and/or comprehensive coverage on at least one of your personal vehicles. Even so,

your auto policy will cover only the actual cash value of the damaged rental. This is the cost to replace it minus depreciation. Your rental contract likely makes you responsible for paying the cost of the depreciated amount as well as other administrative costs, and these could add up to hundreds or thousands of dollars that your personal auto policy will not pay.

If you do not purchase the LDW and you damage the rental car, you are responsible for paying the rental company's loss of use.

At best, your personal auto policy severely limits payment for loss of use to a rented car. Often, such costs are not covered at all.

Building a New Home



If you are considering building a new home, two types of insurance need to be in place. The first, often called “Course of Construction” insurance, is a property insurance policy specifically designed for losses common to homes under construction. It typically covers fire, vandalism, malicious mischief, theft of building materials and other hazards. It may include builders risk insurance, which covers property on and off the job site and in transit. It also insures many other exposures created while the home is being built.

The other is general liability insurance. This covers bodily injury and property damage that occur during the home’s construction. It helps with costs for which the property owner becomes legally liable during construction, such as an injury to a person on the site or damage to a neighboring property caused by the construction. Often, the builder will provide this insurance. If not, the property owner will be responsible for obtaining a policy. For this reason, property owners should consider using a builder who currently has a liability insurance policy.

Ready to break ground on your dream home but concerned about insurance coverage? We can help. Call our service team today.

Home Inventories Can Expedite Claims

Whether you own or rent your home, buying insurance for your personal property is only the first step towards recovery after a theft, fire or other type of loss. An often overlooked second step is the household inventory.

Creating a household inventory is essential in making certain you recover the value of everything that is damaged or destroyed. The goal is to make a record of all the items in your home, from the large, such as furniture and electronics, to the small, like jewelry and valuable items stowed away in drawers.

Whether it’s something simple, like a list on notebook paper and a few snapshots, or a more complex record, such as a detailed

room-by-room video, any form of inventory is better than none. At least one copy of the inventory should be kept in a safe deposit box or somewhere away from the home. If possible, include receipts, serial numbers, warranties and other information to help with the payment or replacement of higher-valued items.

Since you are always adding and removing items from your home, a copy of your inventory should be accessible and updated accordingly.

Not sure how to begin? Many homeowners’ and renters’ insurance companies provide helpful resources designed to make the home inventory process orga-

Protection for Stored Possessions

Is your accumulation of stuff part of a master plan to one day host the mother of all garage sales?

Or have you just not gotten around to disposing of your extra possessions?

Many people now use commercial storage facilities for extra furniture, things they’ve recently inherited, or items they plan on using later or in a different season. If this is you and those items are damaged while kept in storage, will your homeowners policy pay to repair or replace them?

In general, possessions stored in commercial facilities are covered, provided damage is caused by something that is a “named peril” in your homeowners insurance policy. For example, fire, windstorm, vandalism and theft are commonly covered. In contrast, if the items are damaged by flood or earthquake—two causes that are normally excluded on policies—your loss would not be paid for.

Additionally, some impose a limitation on theft coverage for stored items. Companies that do this will pay for items stolen from storage up to a specified dol-



lar amount, typically a percentage of your policy’s personal property (sometimes called “contents”) limit. Keep in mind that you will need to offer some kind of evidence that you owned the property, especially if it is of great value.

Now is a good time to review your homeowners insurance to check on named perils and limits of coverage. If you have any questions, please give us a call.

Dog-Bite Claims Can Be Costly

Dog bites account for one third of all homeowners insurance liability claims. They cost insurance companies \$387.2 million in 2008, up 8.7% from 2007.

On average, they cost \$24,461 per claim—up 28% since 2003—due largely to increased medical costs and hefty court decisions.

The Insurance Information Institute reports that more than 4.5 million Americans are bitten by dogs annually. Nearly 900,000 of those bites require medical care, according to the Centers for Disease Control and Prevention. Possibly the most alarming fact is that about half of the victims are children.

Most homeowners policies will cover claims caused by your dog. However, some companies include restrictions on coverage for certain breeds or dogs with a history of aggressive behavior. If you are particularly wealthy, you might also want to consider the inclination of some victims to seek additional financial awards. You might need some kind of umbrella coverage to protect your assets from very large claims.

Keep in mind that there is much you



can do to minimize the risk that your dog will injure someone. Fencing and supervision are first on the list, but caution must be exercised whenever you have visitors, especially if your pet is easily startled, aroused or angered. Consider the physical capabilities of your guests as well. Children, the

elderly and the disabled are at a greater disadvantage in responding to a dog attack.

Don't leave the issue to chance. Consult your homeowners policy for coverage, and call us if you have any concerns about your protection against claims.

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Personal Perspective

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- ☐ Car insurance
- ☐ Boat insurance
- ☐ Insuring my in-home business
- ☐ Personal umbrella policy

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Buying a Safe Car

You've narrowed down all the features in the car you want to buy: make, model, accessories, even the color is perfect. Before inking the deal, however, there's one important stop you should make: www.safercar.gov.

Safercar.gov is the website for The National Highway Traffic Safety Administration, an agency of the Department of Transportation. The organization's role is putting vehicles through a variety of safety tests and giving each a rating of one to five stars depending on performance. Comprehensive reviews and other safety information are also available.

If you want another look into your prospective dream car's safety performance, check out the ratings from the Insurance Institute for Highway Safety: www.iihs.org. This organization's testing is known for its rigorous nature.

