

# Insurance Update



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## PERSONAL INSURANCE

### Got Flood Risk?

**J**ust because you don't live in the Special Flood Hazard Area or 100-year flood plain, as it is more commonly called, doesn't mean you are safe from the No. 1 cause of property damage from natural disasters: floods.

#### Consider These Facts:

—Nearly all insurance policies providing multi-peril property coverage exclude flood damage. This includes most homeowners policies.

—Just because you haven't experienced a flood in the past doesn't mean you won't in the future. Flood risk isn't just based on history; it's also based on a number of factors: rainfall, river-flow and tidal-surge data; topography; flood-control measures; and changes due to building and development.

—It is estimated 40% of all flood losses occur outside the 100-year flood plain, and 99% of these losses are uninsured.

—The average cost of property damage caused by a flood is \$22,000, and it only

takes about 1 foot of water to cause it.

—For qualifying homes outside the 100-year flood plain, the flood premium for \$20,000 in structure coverage and \$8,000 in contents coverage for a home with a basement is \$154.



—Maximum coverage of \$250,000 in structure coverage and \$100,000 in contents coverage for the same home is only \$405 per year. That's about the cost of two special lattes a week.

#### Got Risk?

- Has rainfall been more intense in

your area the last few years?

- Do you live downstream from a dam?
- Do you live close to a river or stream?
- Do you live in an area protected by a levee?
- Is your home the lowest on the street?
- Is your home on flatlands where a heavy rain has no place to drain?
- Do you live on the coast?
- Do you live in snow country?
- Do you live in the desert?

If you answered yes to any of the above, you may have flood risk. Can you afford a \$20,000, \$100,000 or \$250,000 uninsured loss to your home? If the answer is NO, isn't it worth taking your coffee to work a couple times a week to protect your home from the damage even a small flood can cause?

## LIFE INSURANCE

### Give The Gift Of Life Insurance

**W**ith the holiday season just around the corner, now is a great time to stop and think about what we are thankful for. For most people, the first thing that comes to mind is family. That's where life insurance comes in.

Unfortunately, life insurance is a protection that is often overlooked when purchasing insurance. However, it is one of the most important cover-

ages needed. Life insurance provides financial protection in the event of an untimely death to you or one of your family members.

Although most people purchase life insurance to restore salary that could be lost if a wage-earner died, lifetime coverage proceeds are tax-free, so they can also be essential to asset planning, money saving, planning for retirement and the transfer of cash to heirs.

There is no better time than now to buy life insurance. Auto-Owners Insurance offers countless options that can meet the needs of each family member. These options include universal life, whole life, term and simplified-issue products.

Please contact our office today. We would be happy to help you; you'll be surprised at how easy and inexpensive life insurance can be!

## CLAIMS

### Trailer Coverage On The Personal Auto Policy



If you own or rent a trailer, make sure your auto policy has the coverage you need. Coverage can vary depending on the situation. When in doubt, please call our office and ask.

One common question is, “Where do I get coverage for the trailer I am using?” The coverage for the physical damage to the trailer varies depending if the trailer is owned by you, or if it is rented.

- If it is owned by you, then comprehensive or collision coverage must be purchased on the trailer.
- If the trailer is rented or borrowed, the policy has an extension of coverage for non-owned trailers. The limit of coverage is \$500. The Personal Auto Plus package increases the coverage to \$1,000 for a non-owned trailer. One of the other vehicles

listed on the policy must have either comprehensive or collision coverage. If none of the vehicles on the policy have comprehensive or collision coverage, it might be wise to purchase the coverage from the rental company.

Liability coverage for the trailer you are towing is covered by the policy.

- Liability coverage is extended to both owned and non-owned trailers.
- This coverage is extended to any trailer you are towing. There is not a weight restriction.
- The liability coverage will not cover damage to the trailer you are towing, only the damage to someone else’s property.

Liability can also extend to your owned trailer you loan to a friend.

- The friend’s auto policy should provide liability coverage for any damages caused while they are towing the trailer.
- This extension would not apply if the owned trailer was used for commercial purposes.

The policy exclusions would apply to these losses, so not all losses may be covered. Each claim is reviewed for coverage when it is presented, based on the facts of the accident and the coverage in place at the time of the accident.

Still have questions about your trailer? Call us!

## PERSONAL INSURANCE

### Protect Your Assets With An Executive Umbrella Policy



*Umbrella policies can protect you from a number of catastrophic claims. It’s a good thing to have, especially in today’s litigious environment.*

Many people may feel they have adequate limits at \$300,000 for their personal liability and \$500,000 for their personal auto liability. However, the question you must ask yourself is this: Are my personal liability and auto liability limits enough to protect my personal assets from a catastrophic liability loss?

The answer is probably no in today’s litigious environment. The following are examples of actual claims that exceeded \$1 million in their payout of personal or auto liability:

- Insured collided with a motorcycle, causing fatal injuries to the driver of the motorcycle (\$2 million).
- Insured struck an unlighted barge with his watercraft, triple fatality (\$1.5 million).
- Insured’s teenage daughter went off the road, causing the auto to flip and ejecting all occupants (\$5 million).
- Claimant fell down the insured’s stairs (\$1.5 million).
- Claimant’s son found at the bottom of insured’s swimming pool (\$2 mil-

lion).

There is an easy solution: an Auto-Owners Executive Umbrella policy. This policy has an average price between \$150-\$200 for a \$1 million limit.

An Executive Umbrella policy can provide you with additional liability limits up to \$10 million and will protect your personal assets from a catastrophic liability loss.

Ask us about an Auto-Owners Executive Umbrella proposal today!