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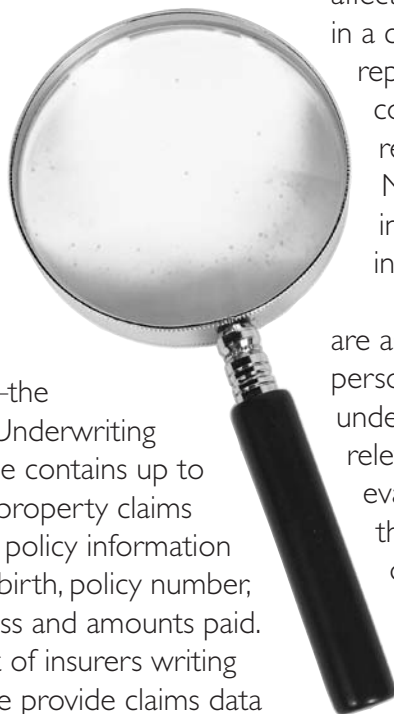
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THERE'S A CLUE TO GETTING HOMEOWNERS INSURANCE

We live in the information age where it seems everyone has a database. Have you ever wondered how many databases contain your personal information? We know of at least one—the Comprehensive Loss Underwriting Exchange. This database contains up to five years of personal property claims history, which includes policy information such as name, date of birth, policy number, date of loss, type of loss and amounts paid. More than 90 percent of insurers writing homeowners coverage provide claims data to the CLUE Personal Property database. It was developed and is maintained by ChoicePoint Inc., headquartered in Georgia.

CLUE enables insurance companies to access prior claim information in the underwriting and rating process. For the most part, this database serves a good purpose in making sure policies are rated fairly among homeowners with a prior history of claims and those without claims. However, this otherwise useful resource for insurance companies has some potential complications for policyholders.



One problem occurs when an incident is reported, but no claim is paid. No homeowner wants his eligibility for insurance and the rate to be affected adversely by an incident that never resulted in a claim. On the other hand, if an incident is not reported, but later results in a claim, the claim could be denied for failing to making a timely report of the incident. It's a "catch 22." In 2001, New Jersey passed legislation that prevents insurance companies from using the report of incidents in their underwriting decisions.

Another problem occurs when prior claims are associated with a newly acquired home. If a person purchases a home that has incurred losses under a prior owner, these claims will be considered relevant to the risk the insurance company is evaluating before offering a homeowners policy to the purchaser. This particularly is true for water damage claims. Because of the residual-mold problem with these claims, they have been viewed in negative terms. If you intend to purchase a home, you may want to require the seller to obtain a CLUE report to reveal the property's claim history before you close the deal.

We know it's hard to understand how you can be penalized for past claims over which you had no control and mere inquiries about coverage for incidents that never resulted in a claim. Please be assured that our agency will do its best to be your advocate under these circumstances, whether directly with the insurance company or indirectly by supporting legislature and regulatory restraints. Certainly, if there are errors in your CLUE report, we will assist you with the procedure for making corrections.

HOW MUCH DO YOU KNOW ABOUT THE EFFECTS OF ALCOHOL?

TAKE THE QUIZ AND FIND OUT

It's the season for proms, grad nights and parties. With all the excitement that comes with these events, it's easy to get caught up in the moment and forget a few basic precautions. Statistics say that prom nights are among the most lethal celebrations for young people, with more than 5,000 teenagers injured or killed in traffic accidents in a typical prom weekend. Most of these accidents are alcohol-related. Do you know what it takes to have a great—and safe—time when you go out? Take the quiz and find out. Find out what you need to know to stay safe on those fun nights out.

1. The majority of people killed in prom-night traffic accidents don't wear seatbelts. True or False?

True. According to the National Highway Traffic Safety Administration, 70 percent of the teens killed on prom weekends are not wearing seatbelts.

2. Drinking hot, black coffee or taking a cold shower can help sober up people who've had too much to drink. True or False?

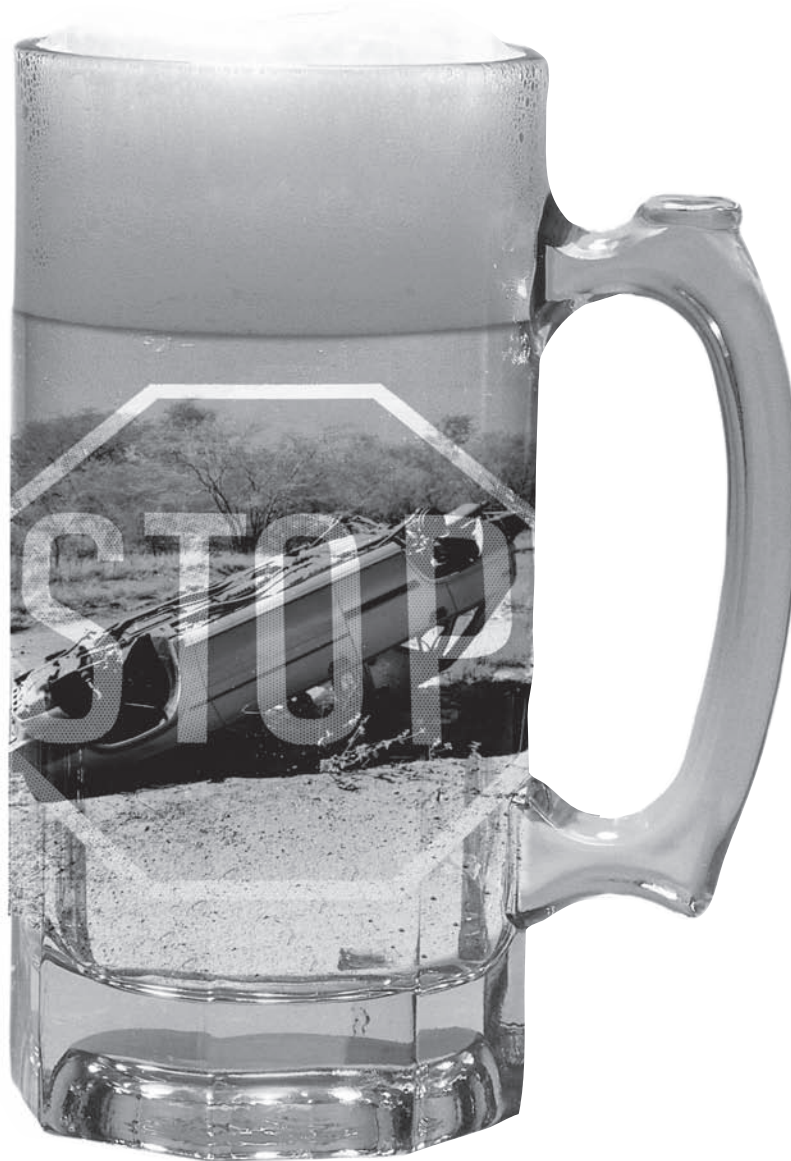
False. Contrary to popular belief, trying to shock the system of a drunk person with caffeine or extreme temperatures will not speed up sobriety. The only thing that helps is time. If someone you know has been drinking, encourage them to stay put instead of getting behind the wheel—then find someone sober to drive.

3. Driving while sleepy is as dangerous as driving while drunk. True or False?

True. A recent study by researchers at Stanford University found that sleepy drivers are as dangerous on the roads as drunk drivers. Sleep deprivation can affect driving performance and reflexes as much as alcohol, so tired and sleepy drivers should take a nap before setting out on the road.

4. The alcohol in three beers is equal to that of one shot of vodka. True or False?

False. One 12-ounce beer, a 4-ounce glass of wine, or a 1 ½-ounce shot of liquor all have the same



amount of alcohol. No matter what form it takes, alcohol will impair your judgement and reflexes in the same way.

5. The number-one killer of young people between the ages of 16 and 24 is traffic collisions. True or False?

True. More than 3,500 young people are killed each year in traffic accidents, and a third of them are alcohol-related, according to the National Highway Traffic Safety Administration. Raising the legal drinking age in all states to 21 has helped in reducing the number of alcohol-related traffic fatalities.

6. Mixing alcoholic drinks like wine, beer, and hard liquor will make you drunk faster, so it's safer to stick to one type of alcohol. True or False?

False. Whatever form it comes in, all alcohol will affect you the same way. And, whether you feel the effects of alcohol or not, it will show up in your blood-alcohol level.

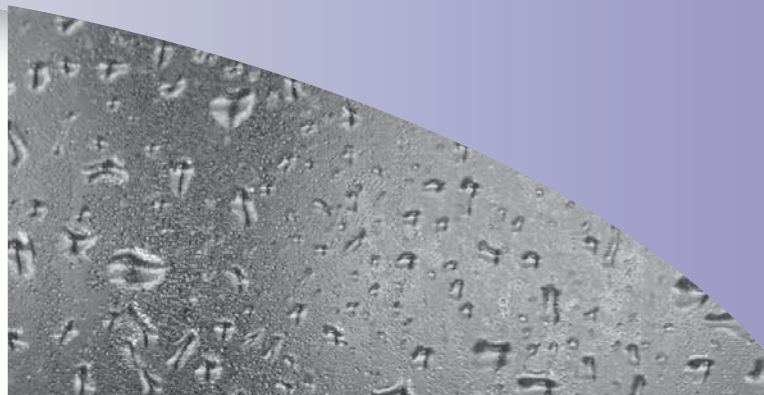
7. The greater the number of teen passengers in a car driven by a teen, the more likely the car will be involved in a crash. True or False?

True. According to the National Center for Injury Prevention and Control, the presence of teen passengers increases the crash risk for unsupervised teen drivers—and the risk goes up with the number of passengers.

8. You can overdose on alcohol, like a drug. True or False?

True. Alcohol is a drug. It's a depressant, meaning it slows the functions of the central nervous system and blocks the body's messages to the brain. Too many drinks over a short period of time can lead to alcohol poisoning, which is very dangerous. Severe vomiting, sleepiness, unconsciousness, difficulty breathing, seizures, cardiac arrest and even death can result.

Share this quiz with your friends and family. Let them see how much they know about alcohol and its effects.

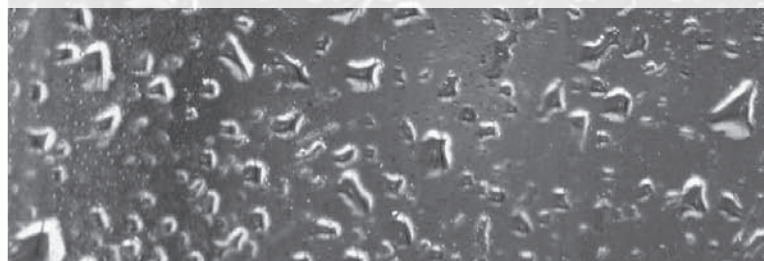


DID YOU KNOW...

According to an online study of 1,000 adults by an independent market-research company, only 8 percent of Americans surveyed have flood insurance. In the wake of Hurricanes Katrina and Rita in 2005, this is an alarming statistic. Hurricane season for this year hasn't begun yet, but flooding doesn't have a single season. Along with spring, for instance, comes springtime flooding. In 2004, more than 400,000 losses were reported during the spring months.

Circumstances like the hardness of the ground or the depth of the snow pack can contribute to spring flooding. Heavy rains forcing streams, rivers, lakes and reservoirs to jump their banks can cause flooding any time of year. But when a heavy rain hits heavily packed snow, a rapid melt can result and the flood risk grows. Ice jams breaking free also can cause flooding.

If you don't have flood insurance, call our agency now. Even if you do have flood insurance, there may be certain restrictions on items in your basement. Call our agency to discuss coverage for the basement items that are not covered. Also, it typically takes 30 days for a flood policy to go into effect, so don't wait until it's too late.



THE GOLDEN YEARS

Nearly 500,000 Americans buy long-term care insurance annually. Unfortunately, only 40 percent buy an inflation-adjusting policy that automatically increases the benefit by 5 percent each year to account for the rise in nursing home costs.

Most long-term care policies specify a dollar amount for your long-term benefits. For example, if the cost of one day in a nursing facility is \$100 today, you need to realize that the price of services will change with time and inflation. You also need



to consider whether your policy will cover home care.

Policies with an inflation-adjustment feature are costlier—often by twice as much as those without this protection. However, buying the less-pricy alternative could cost you much more later on. If you have a policy you would like to review, give our agency a call. If not, we would like to talk to you. We'll help you weigh your options.

UPDATE YOUR COVERAGE

Since you purchased your home, it's a good bet the cost of building materials have risen. We recommend reviewing your insurance on a regular basis.

Rising costs aren't the only reason for a review. If you've installed a pool, added a room or enclosed a porch, the value of your home may have increased significantly. Also, if you've purchased a boat or other watercraft, or added any other items of value, your personal property coverage also might need to be revisited.

Call us any time, but especially after making a big-ticket purchase, or if you're considering major renovations to your home. We're here to help make certain that your coverages continue to do the job you depended on when you originally placed your insurance with us.

