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RENTING A CAR ON VACATION?

You may not need the extra insurance offered by the rental car company. First of all, as long as the rental car will not be driven out of the United States, its territories and/or possessions, Canada and/or Puerto Rico, then the “liability” insurance is unnecessary. However, if your travel plans include Europe, then we’ll need to talk.

With regard to “collision damage waiver” insurance, it also may not be needed to pay for the repair or loss of the rental car—provided your policy insures at least one of your own cars for both “collision” coverage and “other than collision” (comprehensive) coverage.

The disadvantage to you in relying on your

policy is that your deductibles will apply to the rental car and your policy will not pay all of the loss of use expenses and administrative expenses that you may be obligated to pay under the terms of your rental car contract. Also, you are restricted to the same territory described above for liability coverage.

While gaps may exist between obligations in the rental agreement and your auto insurance, you may want to spend the cost savings on extra fun instead of extra insurance. When in doubt, call our agency before you reserve a rental car. Just give us the details of the trip you have planned and we’ll help you determine whether you need the extra insurance before you pick up the car.



IF YOU BUILD IT, THE BUILDING INSPECTOR WILL COME

The building inspector will show up whether you are building a new home, adding to your existing home or rebuilding after loss by fire. Local governments enforce building codes that establish minimum standards for construction that ensure our safety and protect our investment.

This becomes an insurance issue when compliance with the new standards adds cost to the rebuilding of your home and the homeowners policy you purchased covers only replacement of the home that previously existed. The typical policy promises to pay for costs to rebuild the dwelling as it existed when the loss occurred and generally allows only an extra 10 percent of the dwelling coverage limit to pay the extra costs generated by an updated building code.

Under most building codes, if damage to a dwelling exceeds 50 percent, the undamaged portion must be demolished and rebuilt.

Suppose your existing home can be replaced for \$250,000 and requires an additional \$37,500 to construct it to current building code. If half the home were damaged, the typical homeowners policy would pay \$125,000, allowing only an additional \$25,000 for the cost to demolish and reconstruct the other half of the house and to pay the \$37,500 cost of bringing the whole house to code. You would, then, be short about \$137,500.

These extra uncovered expenses can be insured with an “ordinance or law” endorsement for additional premium. Even if your policy insures your dwelling on the basis of replacement cost, you still need this specific coverage. Please call our office if you would like us to quote the additional premium for this protection, so that all the costs to rebuild are covered.

Insights & UPDATES

THERE WAS AN EARTHQUAKE! A TERRIBLE FLOOD!

When it comes to preparing for a disaster, all scenarios must be anticipated. There are community response and evacuation plans to take into account; but also, there are personal, business and family emergency plans that must work within the larger community and regional plans. In addition to overall plans and procedures, little things exist to consider: pets; phone numbers; protection of vital documents and records; and medications.

Good planning can go out the window once disaster strikes. That is why the first step in disaster planning must be realizing you will not be prepared for the disaster ... that you may have to wait it out. The disaster supply kit is essential in disaster planning.

Of course, you will not have time to shop before a disaster; so, you must select the items in your disaster supply kit carefully. Also, you should store your kit in portable containers that will be easy to remove quickly from your home should the need to evacuate arise. Your kit should be prepared to serve the number of people likely to be in the building, home or vehicle at any given time.

Your kit should include:

- three-day supply of nonperishable food;
- three-day supply of water (one gallon per person per day);
- nonelectric can opener;
- battery-powered radio with extra batteries;
- flashlight with extra batteries;
- sanitation and hygiene items;
- matches in a water-proof container;



- whistle;
- blankets;
- clothing (some articles should be waterproof);
- copies of important identification documents;
- prescriptions and vital medical prescription medications-including spare eyeglasses and contact lens supplies;
- cooking utensils;
- canned fuel for heat and/or cooking;
- tools;
- items for children and infants;
- pet-care items;
- coins and cash; and
- cell phone chargers.

Surviving a disaster requires planning; with the proper preparation, you'll be ready to weather the storm.

SUMMERTIME AND THE LIVIN' IS EASY— IF YOU HAVE INSURANCE

Summer—a time for getting away or enjoying the comforts of your backyard. And, just as sunscreen should protect you from a terrible sunburn, your insurance policies should protect you from summer's unique risks.

BUT ARE YOU COVERED?

WE CAN HELP ANSWER THAT QUESTION.

Vacations. Thinking of taking a vacation this summer? Travel insurance can provide you with peace of mind—offering coverage to protect against trip cancellations and delays due to unexpected illness, injury or death of a family member; financial default by a tour operator; bad weather or natural disasters that close travel services; and other circumstances that could not have been reasonably foreseen. Lost luggage also may be covered under a basic policy, but expensive items such as jewelry or sport equipment may not.

Summer transportation. If you are renting a car, your own automobile insurance policy will at least partially cover you in the event of an accident or other damages. (See article on page 1.) However, if you've decided this is the year to purchase that boat you've always

dreamed about, remember they need their own insurance policies. Most boats are not covered under homeowners or automobile insurance policies.

Backyard fun. Thinking of staying close to home this summer? There still are insurance issues you need to consider. Pools, trampolines, hot tubs and grills may be the definition of summer fun, but they can be huge liabilities if preventative care is not taken and insurance turns out to be inadequate. Make sure your homeowners policies offer you the proper protections in the event of an accident. And remember, most insurance companies aren't too fond of trampolines; so if you haven't purchased it yet, think about whether you really want to assume the risk.

We don't want to take the fun out of your summer. We want you to have the protections you need, so you can concentrate on your tan, rather than your liability coverages. Give us a call today, and start enjoying the warm weather tomorrow.

SAFEGUARD YOUR PROPERTY AGAINST ARSON

Did you know the cost of insurance losses from fire far exceeds the expenses associated with any other catastrophe? And, did you also know that arson is the second most frequent cause of all fire damage in the United States? It resulted in more than \$909 million worth of property damage in 2006. Property owners face an average potential loss of about \$13,325 per incident, creating significant financial burden on homeowners not only through direct property damage; increased frequency of arson ultimately results in costlier insurance premiums for everyone, due to the greater cost of fire protection.

Though your home's insurance policy most likely provides coverage for arson, it is imperative that homeowners take notice of this growing problem and the threat it poses to property, profits, jobs and lives. You can lessen your risk with a few simple, preventive steps:

- **Invest in fire safety.** Purchase and maintain fire alarms and extinguishers. Consider having a sprinkler system installed. Be sure your family is prepared with a fire escape plan.
- **Keep things clean.** Dry, combustible materials on your property are a welcome invitation for both

arsonist-started and accidental fires. Remove weeds and brush near your home. Do not allow trash to collect on your property.

- **Consider enhanced security measures.** By keeping unauthorized people off your property, you greatly reduce your risk of becoming a victim of arson, as well as other crimes. Enclose your yard with a fence. Install automatic, outdoor lighting to deter potential criminals. Be sure to replace any missing or broken window panes.
- **Know the statistics.** More than half of all arsons are committed by juveniles, for the purpose of vandalism. If you suspect someone is setting fires or see any suspicious activity, be sure to report it to your local police or neighborhood watch program, and request a regular patrol in your neighborhood

The best protection against arson is awareness of the activity around your home. Call our agency anytime for even more valuable suggestions for arson prevention and general fire safety.



DID YOU KNOW? RETIREMENT

You've saved and saved, and finally it's here—retirement. But, before you say “Sayonara” to your job and book that cruise to the Caribbean, stop and think ...

HAVE YOU PLANNED FOR EVERYTHING?

What about medical expenses? Do not rely solely on Medicare to cover your medical expenses. Medicare wasn't designed to pay your full health care costs. In fact, according to the American Association of Retired Persons, “on average Medicare pays for just 56 percent of your health care expenses.” That leaves 44 percent coming from your savings. What about deductibles? Twenty dollars a visit can add up quickly. With hospital visits, your savings can drain even more quickly.

Even these costs make the assumption that you will never come down with a chronic illness or suffer a disability that requires long-term care—medical and nonmedical support services that can be provided at home, in an assisted-living facility or a nursing home. But, according to the U.S. Department of Health and Human Services, “this year, about nine million men and women over the age of 65 will need long-term care. By 2020, 12 million older Americans will need long-term care.” The need for long-term care clearly is not rare, but it is expensive. Depending on where you live, a year-long stay in a nursing home can cost anywhere from \$30,000 to \$100,000 dollars.

But the news is not all dire. The proper insurance coverage can help prepare you for the true costs of retirement.

MEDICARE SUPPLEMENTAL COVERAGE

Medicare is a valuable service. But, some gaps exist: a per incident hospital stay deductible (\$992 for 2007), hospital coinsurance payments after the first 60 days (\$248 per day in 2007), an annual prescription deductible (\$131 in 2007), a 20 percent prescription coinsurance payment and more. Medicare supplemental coverage can help fill in these gaps.

LONG-TERM CARE INSURANCE

We may not want to think about it, but the odds of any one of us needing long-term care aren't nearly long enough to gamble our golden years comfortably. Especially when even a short stay in a nursing home or assisted-care facility can drain a savings account. Long-term care coverage can help pay for assistance with activities of daily living in a nursing home, assisted living facility or at home without cleaning you out.

If you'd like more information or advice specific to your particular situation, please give us a call. We'll be glad to help you make sure your retirement is your dream, not a financial nightmare.

10 REASONS TO CHOOSE OUR AGENCY

Selecting the right insurance agency is a choice that should last a lifetime. As a professional, independent insurance agency, we pride ourselves on maintaining long-term relationships with our clients; adjusting their coverage as personal, business or professional changes take place.

There's no room for surprises when it comes to obtaining a new insurance policy.

Choosing insurance is a tremendous responsibility, and we are delighted to assist in that process. We consider your needs personally, and intelligently.

Here are 10 reasons to choose our agency:

1. Intelligent insurance: On every transaction we will use our extensive knowledge to help you make an educated choice;
 2. Personalized service, every time, on time;
 3. Hassle elimination (whether you are simply inquiring, buying or entering a claim);
 4. Decreased research time on your part;
 5. Fewer phone calls to make;
 6. Your needs are our priorities;
 7. No hidden surprises or messages in proposal language;
 8. Free translation service (turn insurance jargon into everyday language);
 9. Years of knowledge and know-how; and
 10. Quality (you will get the best coverage for your money).
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