

The Wright & Kimbrough Report



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Theft Alert

New Gizmo Gives Thieves Entry to Keyless Vehicles

AS CARMAKERS modernize their vehicles by employing more and more technology, cars have been getting safer and more difficult to steal.

Besides self-driving technology, more cars are being outfitted with a keyless entry and ignitions. But as these advances make our lives easier and our cars safer, criminals are adapting so they can continue stealing cars – and now they have a device that can even break into keyless vehicles.

The National Insurance Crime Bureau recently obtained a black-market device that's been catching on among criminals – an apparatus that can give them access to autos with keyless entry, and even start the car in those with a keyless ignition.

After security cameras obtained footage of thieves armed with the device breaking into and stealing vehicles, the NICB investigated and was able to secure one of the devices. It was able to buy a device with assistance from a

third-party security expert from an overseas company.

The gizmo was originally developed to help carmakers test their vehicles' keyless entry and ignition systems.

The results of the bureau's tests are eye opening and should be a warning to anybody who has a vehicle outfitted with a keyless system of any type. It also reflects the ceaseless efforts by criminals to continue being able to ply their trade.

The device the NICB obtained is called a "Relay Attack" unit, which it tested on 35 makes and models of cars, SUVs, minivans and pickups.

The results:

- The Relay Attack opened 19 out of 35 vehicles (54%).
- The Relay Attack started 18 of the vehicles (51%).
- The Relay Attack was able to restart 12 of the 18 vehicles it started initially (66%).

The device the NICB used is just one of many apparatuses that thieves have at their disposal, and they vary in the types of cars they are able to open.

But with a hit rate of more than 50% from just one device, it's obvious the threat is very real.

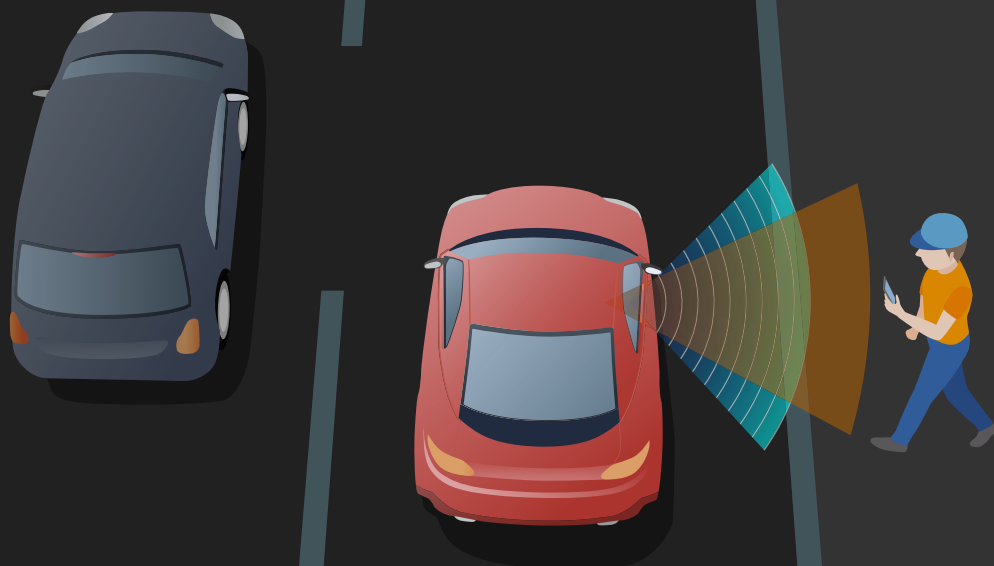
"We've now seen for ourselves that these devices work," NICB president and CEO Joe Wehrle said in a press release. "Maybe they don't work on all makes and models, but certainly on enough that car thieves can target and steal them with relative ease."

What you can do

Always remember to lock your vehicle – and keep the remote fob with you if you have a keyless entry and ignition.

According to the NICB, there were 57,096 car thefts with keys left in the vehicle in 2015, which was a 22% increase over the previous year.

Over the past three years, this kind of theft has grown by 31%. ❖



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The Newest Source of Distracted Driving

SAFETY EXPERTS are raising concerns about the latest evolving distraction in cars: the interactive dashboard.

You already know that fiddling with your smartphone while driving is illegal, highly dangerous and can lead to a serious accident or death. These evolving displays, however, can be just as distracting, leading to the same dangers.

The interactive screens are highly popular and carmakers will continue rolling them out to boost revenue and attract buyers. Auto manufacturers say these dashboards will make driving safer because the voice controls and large touch screens will keep drivers from fumbling for their phones.

But David Strayer, a professor of cognition and neural science at the University of Utah who has authored a number of studies on distracted driving, disagrees.

He says that interactive dashboards “are enabling activities that take your eyes off the road for longer than most safety advocates would say is safe.”

His research shows that reading the average text message, which can be done on many new interactive car screens, takes about four seconds, enough time to distract a driver from what’s happening on the road.

And as technology continues evolving, so do the dangers. There are systems on the market that:

- Allow drivers to sync their phones and check for mentions of them on Twitter – and to even push those tweets to the dashboard.
- Alert the driver when text messages arrive and they can press a button to hear the message read aloud.
- Allow the driver to upload a photo taken on a smartphone and request mapping to the place the picture was taken.
- Allow the driver to sync their smartphone and get a scaled-down version of the phone on the display.

- Don’t rely on syncing with smartphones, and instead mimic what phones can do, like checking for nearby attractions while on the move.

Few governing laws

The laws on dashboard displays are spotty and only a few states have statutes that forbid the use of videos on the dashboard display that are not used for navigation – like cameras for reversing the vehicle.

Meanwhile, federal motor vehicle standards only require that screen brightness be adjustable. ❖

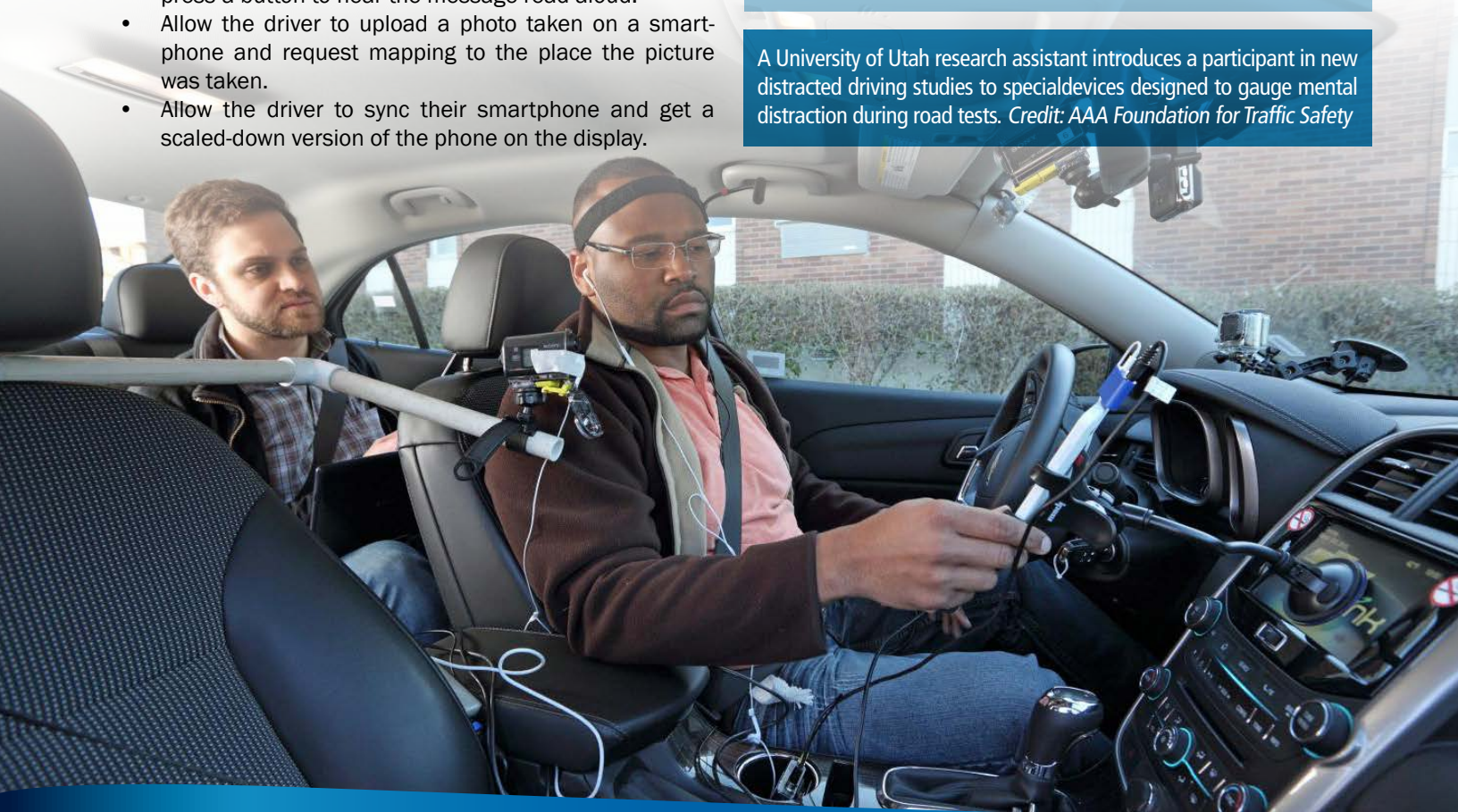
WHAT YOU SHOULD DO

While there are few laws in place governing the use of these systems, you should use common sense and use them as you would legally use your phone.

The National Highway Traffic Safety Administration recommends the following to reduce distraction in cars with interactive dashboards:

- Don’t use functions that include photographs or moving images unrelated to driving.
- Any task should require less than six taps in order to be completed.
- Drivers should be able to complete tasks in a series of 1.5- or 2-second glances, for a total of no more than 12 seconds.

A University of Utah research assistant introduces a participant in new distracted driving studies to special devices designed to gauge mental distraction during road tests. Credit: AAA Foundation for Traffic Safety



Underinsuring Liability and Over-insuring Assets

IF YOU ARE accumulating wealth quickly and live the comfortable life with a large house, luxury car and other expensive assets, you've no doubt already insured all of those belongings.

But while most high-net-worth individuals have their possessions properly covered, they often overlook their largest risk: liability. In fact, they often over-insure against minor threats and underinsure for major ones.

Many people will carry low minimums on their auto and homeowner's policies, which leaves them exposed to any liability lawsuits that may surface. If the maximum payout on your homeowner's or car insurance is less than the attachment point of your umbrella policy, you could be left having to cover the gap between the two.

Look at it this way: If you wreck your Porsche it won't imperil you financially. But if you also maim or kill someone in the process of wrecking the car, your wealth could be put in jeopardy without the proper protection.

That's why it's of the utmost importance that you carry the proper liability coverage limits on your auto and homeowner's policies, so that you don't have a gap that can leave your personal assets and funds exposed.

Further, if you are a public figure or sit on any boards of directors or do charity work, you may want to consider increasing your limits and supplementing your coverage with an umbrella insurance policy to insure against any lawsuits stemming from decisions you may make in those capacities.

SCENARIOS AND REPERCUSSIONS

Umbrella shortfall

You're involved in a car accident that leaves the occupant of the other car in serious condition, and she will need extensive operations and likely years of physical therapy.

You've insured your car with a liability limit of \$300,000 and you have an umbrella policy with a \$1 million limit.

That umbrella limit is not nearly enough to cover the bills for this injured individual, whose care costs will likely surpass \$3 million easily in the next four years.

That would leave you \$2 million out of pocket.

Board liability

You sit on the board of a local non-profit and volunteer your time on the board without remuneration.

A former vendor sues the entire board for breach of contract after it had voted to terminate their contract. The matter is brought to trial and a judge orders that all board members personally pay \$100,000 each for their actions.

If you don't have a personal umbrella policy, you'd be on the hook and out of pocket for the entire amount.

Party foul

You have a Super Bowl party at your house and about 20 guests, one of whom slips on some spilled wine on your deck and throws out his back and can't work for three months.

He sues you for negligence and the homeowner's insurer negotiates a settlement of \$250,000. Your policy has a \$100,000 liability limit, but your umbrella policy doesn't kick in until \$300,000. That leaves you paying \$150,000 out of pocket.

THE TAKEAWAY

Unfortunately, if you have money, you might as well be walking around with a target on your back. In our litigious society one misstep or mistake can result in an expensive lawsuit and, if it goes to trial, the costs escalate tremendously and your fate rests in the hands of a jury or judge.

Talk to us about a policy that would be right for you. Excess liability policies for high net-worth individuals will often include the costs of unlimited legal defense and legal counsel. ❖



HOMEOWNER'S ISSUES

The Four Most Common Water Damage Claims

SO OFTEN WHEN we talk to one of our clients who has just filed a claim for fire or water damage, we find that they wish they had stayed on top of repairs and maintenance.

Indeed, the majority of homeowner's insurance claims are preventable with just a little bit of scheduled effort.

While many people tell you to be prepared for major calamities like floods, tornadoes or earthquakes, the fact is that the majority of homeowner's claims are for damage that is caused by their own negligence or lack of inspection and maintenance.

Today we look at ... claims that should never happen to you if you stay on top of the maintenance.

Washing machine issues

If a washing machine leaks in the middle of a wash cycle, you could end up flooding and damaging floors and furniture in many of the adjacent rooms.

To avoid this, you should inspect your washing machine twice a year for any issues that could lead to a major leak. These tips should help you head off any problems in the future:

- Inspect all hoses and look for cracking, peeling or loose hoses.
- Don't overload your machine, as stuffing too many clothes and linen in at one time can lead to an unbalanced load and leakage.
- Be sure to keep the machine level.
- Clean the inside once a month. That means looking for obstructions or any stray pieces of fabric.
- Clean out the detergent/fabric softener dispenser, which can get clogged up – especially with powder detergent.

Bathtub and shower leaks

Some of the worst water damage happens to the bathroom floor underneath and around the tub and shower.

You should keep an eye out for cracked seals and grout. Water can seep through those tiny cracks and damage the floor beneath.

Regularly inspect for any holes in the caulking or signs of potential damage. Look for stains or soft places on walls, floors and ceilings near the bathroom to determine whether a leak is occurring.

If you do find a leak or major problem within your bathroom, you should call a plumber as letting leaks go unfixed will only lead to further damage.

Toilet issues

Toilets are also a source of water damage. In a new home, the toilet can fail through a faulty supply line.

In older homes, toilet issues are usually in the form of a slow leak or clogging, which can lead to water damage if unchecked.

The first thing that must be done is to caulk all around the toilet. This way, even if an overflow does occur, the water will not be able to trickle down under your tile or linoleum floor.

If your toilet clogs, act quickly by opening the tank and lifting the flapper to prevent more water from coming in and overflowing the bowl. When possible, replace the supply-line gate valves with ball valves, which can reduce the risk of overflowing.

Roof leaks and collapses

Consider the roof as your home's protective shield against the elements. The key to long life for your roof is basic maintenance, which includes cleaning your rain gutters twice a year and inspecting shingles and replacing any that are damaged.

And during the winter storms in colder climates, monitor roof conditions to protect against roof collapse from accumulated snow or ice. You should be aware of the warning signs that your building structure is under significant stress, such as:

- Deflection or cracking of structural members.
- Cracks that have recently developed in interior and exterior walls and ceilings.
- Cracked or broken windows.
- Unusual creaking or popping sounds.
- Doors or windows that bind or do not open and close properly due to racked frames.

If you notice any of the above, you should call in a qualified structural engineer for an immediate inspection. ❖