The
Wright & Kimbrough Personal Protection

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HOME PROTECTION

Gaps in Your Policies Can Leave You Exposed

YOU MAY have auto insurance and home or renter's insurance in place to make sure you are covered in case of an accident.

But, depending on the circumstances of a claim, you may have coverage gaps in your insurance, and policyholders that do put themselves, their family and their possessions at risk.

You should review your policies to see if you have any of the following gaps in your coverage:

Coverage for your valuables – This would include:

- Any collections (coins, stamps, art, etc.),
- Pricey jewelry or watches,
- Electronics.

Most homeowner's policies will typically have a set limit for loss or theft of personal items, such as $3,000.

Umbrella policy – Even if you're not at fault for an accident, you can still get hit with a personal injury or liability lawsuit.

And when that happens, you can expect extra costs to mount quickly, what with lawyers' fees, hospital bills, pain and suffering payments.

All of that combined could quickly exceed your homeowner's or auto policy limit, and then your assets would be at stake.

An umbrella policy adds an extra $1 million to $5 million to your liability limits.

Transportation expenses coverage – Does your policy cover a rental car or other form of transportation if your vehicle ends up in the shop after an accident? If not, some carriers offer a transportation expenses rider.

Transportation expenses coverage can apply to two types of claim: a comprehensive claim (resulting from something other than collision, such as fire, theft or vandalism) and a collision claim (resulting from physical damage to your vehicle caused by rolling over or hitting another vehicle or object).

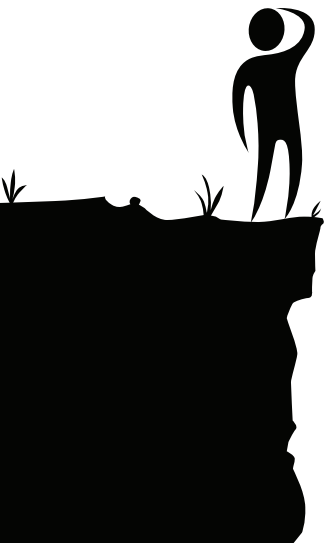
After a comprehensive occurrence, a transportation expenses policy kicks in to provide a set coverage for a rental car.

Flood insurance – The federal government offers coverage through the National Flood Insurance Program. It's worth a look, as people who live outside of high-risk flood areas file more than 20% of claims with the program (read more about this on page 2).

Not keeping coverage up to date – If you've made upgrades to your home, tell us about it before your next policy renewal. If you don't, you risk coming up short if you have to rebuild after a total loss.

Report all remodeling or renovations, so we can help determine the effect on your home's replacement cost. Typically, guaranteed replacement cost rules require that you report home improvements worth more than $5,000 within 90 days of completion.

As you can see, there is plenty that's easy to overlook when it comes to your insurance and protecting yourself and your assets. If you're concerned about any of these issues, call us today. ■



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Protecting Yourself Against Identity Theft

IDENTITY THEFT is the act of taking someone's personal information and using it to impersonate a victim, steal from bank accounts, establish phony insurance policies, open unauthorized credit cards or obtain unauthorized bank loans.

Close to half of identity theft cases are the result of a lost or stolen wallet, checkbook, credit card or other physical document. But as online shopping becomes increasingly popular, it can also pose an identity risk.

Victims of identity theft are often left with lower credit scores and spend months or even years getting credit records corrected. They frequently have difficulty getting credit, obtaining loans and even finding employment.

Most homeowner's and renter's policies provide coverage for theft of money or credit cards; however, the amount of coverage is limited. Some companies now include coverage for identity theft as part of their homeowner's insurance policy. Check your policy to find out. Others sell it as either a stand-alone policy or as an endorsement to a homeowner's or renter's insurance policy, which can cost about $25-$50 annually.

Identity theft insurance provides reimbursement to crime victims for the cost of restoring their identity and repairing credit reports. It generally covers expenses such as phone bills, lost wages, notary and certified mailing costs, and sometimes attorney fees (with the prior consent of the insurer). Some companies also offer restoration or resolution services that will guide you through the process of recovering your identity.

Tips for avoiding identity theft

- **Guard your credit card when making purchases.** Shield your hand when using ATM machines to thwart any "shoulder surfers" who may be nearby.
- **Always take credit card or ATM receipts.** Don't throw them into public trash containers, leave them on the counter.
- **Do not give out personal information.** Whether on the phone, through the mail or over the Internet, don't give out any personal information unless you have initiated the contact or are sure you know who you are dealing with.
- **When shopping online, use only authenticated websites to conduct business.** Check for the locked padlock image on your browser's status bar or look for "https://" (rather than http://) in your browser window. That added "s" means it has built-in security.
- **Be aware of phishing and pharming scams.** In these scams, criminals use fake e-mails and websites to impersonate legitimate organizations. Be careful when opening e-mails and instant messages from unknown sources and never give out personal, financial or password-related information via e-mail.
- **Make sure you have a computer firewall**. You also need anti-spyware and anti-virus programs and mae sure you keep them up to date to detect the newest threats.
- **Monitor your accounts.** Don't rely on your credit card company or bank to alert you of suspicious activity. Carefully monitor your bank and credit card statements to make sure all transactions are accurate. If you suspect a problem, contact your credit card company or bank immediately.
- **Order a copy of your credit report**. Your credit report contains information on where you work and live, the credit accounts that have been opened in your name, how you pay your bills and whether you've been sued, arrested or filed for bankruptcy. Make sure it's accurate and includes only activities you've authorized.
- **Place passwords on your credit card, bank and phone accounts.** Avoid using easily available information like your mother's maiden name, your birth date, any part of your Social Security number or phone number, or any series of consecutive numbers. If you suspect a problem with your credit card, change your password.
- **Shred documents containing personal information.** This includes credit card numbers, bank statements, charge receipts or credit card applications, before disposing of them.

In order to make it more difficult for identity thieves to open accounts in your name, you can also contact the fraud department of any of the three credit reporting agencies to place a fraud alert on your credit report.

If you are the victim of a crime, report it to the credit card company and police immediately. Ask for a copy of the police report. You will need it if you want to file an insurance claim or report the crime to the Federal Trade Commission. You can contact the commission at: www.consumer.gov/idtheft or call 877-IDTHEFT. ■

Black Boxes Standard on Most New Cars

ONCE FOUND only in commercial aircraft, "black box" event recorders are now standard in most new cars sold in America.

Like on a plane, in the wake of a crash, the black box analyzes the cause and effect of an incident. The data has many other potential uses – for insurance companies, lawyers and police, for instance.

But the National Highway Traffic Safety Administration, which has pushed for these units to be installed in all new vehicles in the U.S., says the event data recorder (EDR) data would be treated by the NHTSA "as the property of the vehicle owner and would not be used or accessed by the agency without owner consent."

And now, care insurers are offering on-board devices that track mileage and other driver behavior, with lower insurance rates as the incentive for their use.

Did You Know?

96% of all 2013 vehicles have event data recorders. Documentation with all new cars is required to reveal their existence and location under NHTSA rules.

An EDR records data from a variety of sensors in a vehicle and is typically attached to the vehicle's floor. But they can also be mounted to a car's steering column, firewall or other out-of-the-way location.

Wide range of data collected

When a crash occurs, an EDR captures and stores information about the incident.

In addition to the date and time of the crash, modern EDRs record:

- Vehicle speed
- Engine speed
- Steering angle
- Braking status
- Force of impact
- Airbag deployment, speed, and faults for all airbags
- Forward and lateral crash force
- Crash event duration
- Accelerator position
- Engine rpm
- Brake application and antilock brake activation
- Stability control engagement
- Vehicle roll angle, in case of a rollover
- Number of times the vehicle has been started
- Driver and front-passenger safety belt engagement
- Front seat positions
- Occupant size
- Number of crashes (one or more impacts during the final crash event)

Effects on insurance

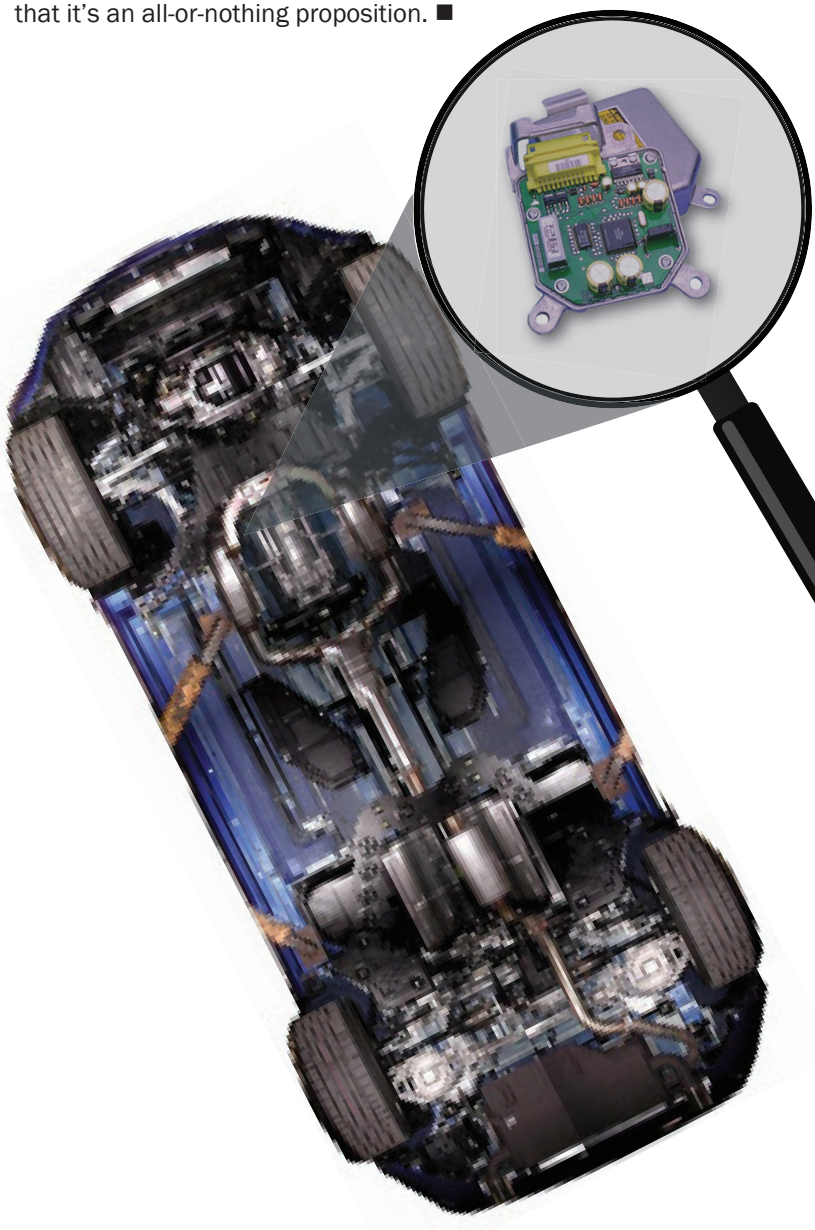
Some insurers will offer discounts to policyholders who install black boxes in their cars. However, you have to trade it off against the loss of privacy by which insurance companies calculate insurance premiums according to the information derived from the EDR.

Insurers have already begun to incorporate advanced, after-market EDR systems into alternative automobile insurance plans in exchange for reduced rates.

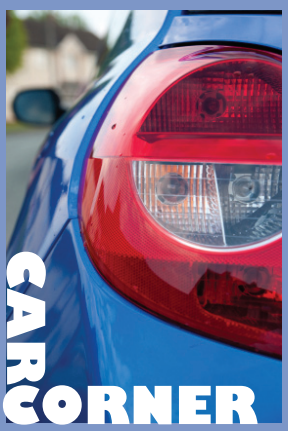
The insurance company can use the information stored in the EDR to analyze what happened in an accident.

They can determine the speed at which you were driving, any sudden breaking or moves, and other data that can help prove whether it was you or the other driver who was at fault.

While you can choose to take advantage of an EDR discount on your policy, if your insurer offers one, you should be aware that it's an all-or-nothing proposition. ■



How Driver's License Points Affect Premium



THE DEPARTMENT of Motor Vehicles uses a "point system" to rate driving records, starting each driver with a clean record. You accumulate points, essentially demerits, for every moving violation you are cited for.

Point systems vary state by state. While some states assess points to drivers that are at fault in an auto accident, others may not.

In California you are levied points as follows:

One point per minor moving violation that is ticketed. You can also earn a point for issues involving certain vehicle mechanics or additional equipment, such as brake issues and child safety seat violations.

Two points for:

- Reckless driving
- Driving on a suspended or revoked license
- Hit-and-run accident
- Driving under the influence of drugs or alcohol

As you acquire points, you place yourself in danger of losing your driver's license. The DMV has the right to suspend or revoke your driving privileges if you accumulate a certain number of points over a set period of time.

- Four points within a 12-month period
- Six points in a 24-month period
- Eight points in a 36-month period

Should you be cited, look for the vehicle code violation number on the front of your ticket and contact the DMV. Be sure to ask the number of points, if any, the violation carries; how many points you already have; and how many points will result in a license suspension.

Each point can cause your premiums to increase by 20% to 30%.

Most insurers will regularly review the driving records for all their customers. Depending on your insurer's policy and state's laws, some insurers may be able to raise your premiums for just a single point.

Most insurers will allow one moving violation every couple of years before they raise your premiums, but check with your insurer to determine their specific policy. If you accumulate too many points, you may be dropped by your insurer.

Can I avoid or remove points?

Time will clear your record of points logged against it. Here is a breakdown of how long each point infraction will remain on your driving record:

- One-point additions to a record are cleared after three years.
- Points for serious violations like DUI and hit-and-run incidents stay on for 10 years.
- Failure to appear in court for any traffic violation will remain on the driving record for five years.

You can contest the ticket, especially if your points are near suspension levels. Keep in mind that contesting the ticket is an iffy proposition in that avoiding the point will depend on your being successful.

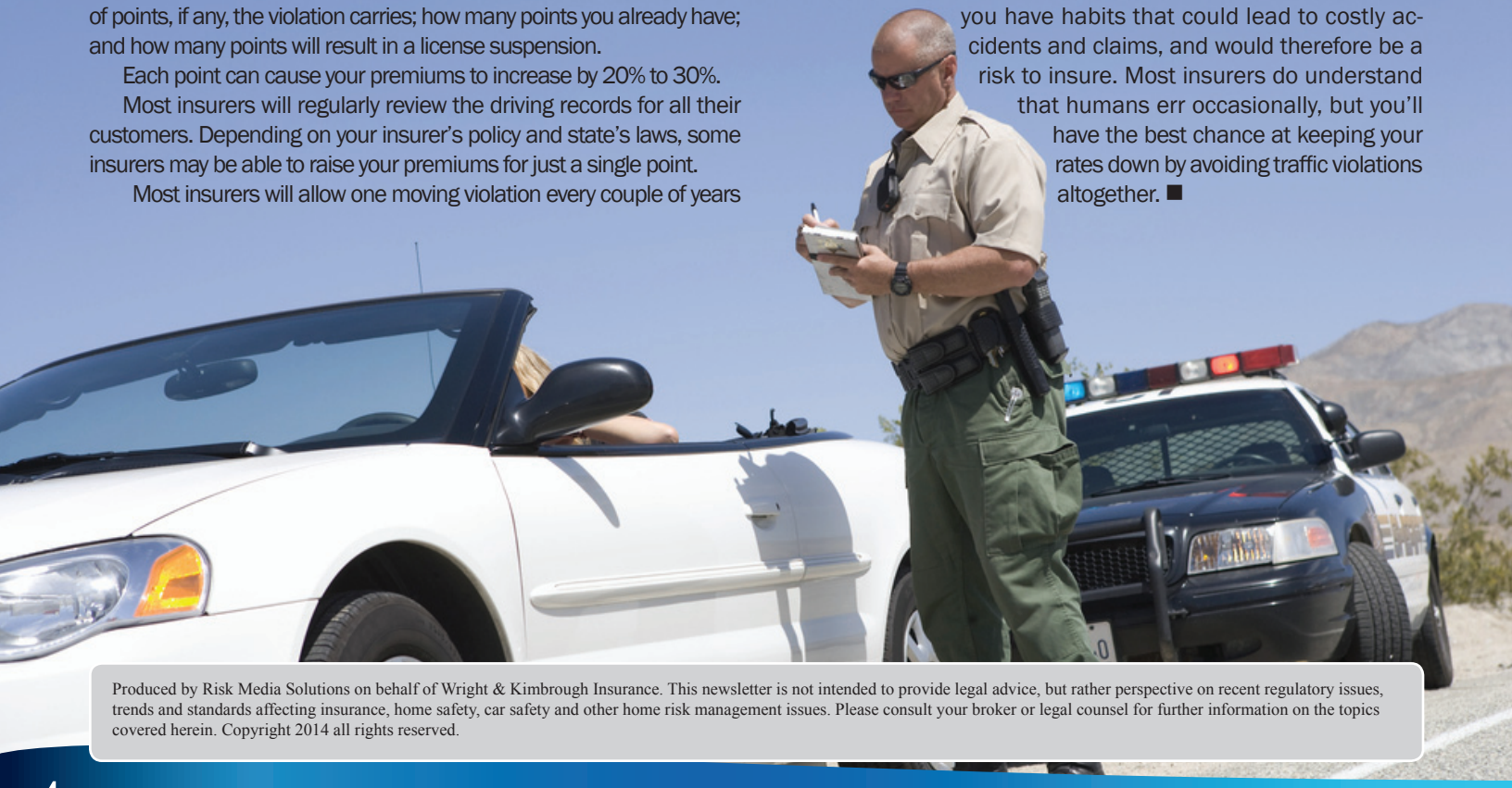
The best way to avoid a point is paying the ticket and attending traffic school. You can attend traffic school once every 18 months, typically. But, in some circumstances, you can go before a judge to ask to attend a second time in an 18-month period.

You are required to take a minimum of eight hours of traffic school and must return your certificate of completion to the court by the required date. You will have to pay additional fees to the school as well - typically about $20 to $40, depending on the course.

Some traffic schools give you the basic information with a splash of humor to make it less boring, while others may require you to sit through eight hours of lecture and films on gruesome accidents. In any case, it shouldn't be too big a sacrifice when you consider the alternative of higher insurance premiums from the point(s) going on your record.

Insurers typically either avoid risk or charge exorbitant premiums to take it on.

Having a number of moving violations is a strong indicator that you have habits that could lead to costly accidents and claims, and would therefore be a risk to insure. Most insurers do understand that humans err occasionally, but you'll have the best chance at keeping your rates down by avoiding traffic violations altogether. ■



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