

The Wright & Kimbrough Personal Protection



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UMBRELLA COVERAGE

Throwing a Party? Cover Against the Many Risks

MANY HOMEOWNERS enjoy throwing parties for holidays or special events. If you're planning a party in the near future, be sure that your homeowner's coverage is adequate and, if it's not, you should consider a personal umbrella policy.

Guests who are injured may need to file an injury claim if their vehicle is damaged, if they fall down or if a pet bites them.

Research shows that about 75% of homeowners who plan social gatherings in their homes do not have a personal umbrella policy. This makes them more vulnerable to lawsuits stemming from guests who suffer injuries.

The same study found that the remainder of the homeowners surveyed did not know what type of coverage they had.

This means it is likely that the percentage of homeowners who do not have adequate coverage is even higher.

But a personal umbrella policy is necessary to protect against lawsuits.

Umbrella is the best backdrop

Personal umbrella coverage is simply a \$1 million liability policy (liability pays for bodily injury or property damage to others).

It sits and waits until one of the underlying policies is maxed out. The most common underlying policies are your car and home insurance policies.

Here's a hypothetical situation:

Robert California has a homeowner's policy with a \$300,000 liability limit. He threw a big party and one of the guests drank too much, drove and crashed into another vehicle, injuring several of its occupants. Let's say that his homeowner's policy pays the \$300,000 (very safe assumption), but the settlement is \$800,000. Where does the remaining \$500,000 come from?

If you said the umbrella policy, you would be correct. ❖

Alcohol Tips



Homeowners may be held responsible for damages arising from accidents caused by intoxicated guests who drive home.

If you're throwing a party, consider:

- Ensuring that there are filling foods and non-alcoholic beverages.
- Limiting invitations to friends, family or familiar people.
- Providing transportation or accommodation for guests who drank too much.
- Avoiding serving alcohol to guests who appear intoxicated.
- Planning activities that draw attention away from drinking alcohol.
- Stopping the flow of alcohol at least one hour before the party comes to an end.



Let us check your coverage Call us: (800) 822-3694

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Does Your Policy Cover Your Home Business?

THANKS TO advances in technology and the Internet, more and more people are running home-based businesses, either full-time or part-time.

But will a homeowner's policy cover the risks of a home-based business? In nearly every case, the answer is no. The only exception to this might be if a homeowner's policy has a special endorsement, such as for running a catering company from your home.

Sixty percent of home-based businesses lack adequate business insurance, according to the Independent Insurance Agents & Brokers of America.

One reason owners forgo insurance is confusion over what may be already covered by a homeowner's or a renter's policy.

But most home-business owners have little or no coverage from their homeowner's policy.

What's more, if you file a homeowner's (or renter's) claim for losses sustained by a previously undisclosed home-based business, your insurer may refuse to cover it – or cancel your policy.

Risks and liabilities

If you're selling stuff online and nobody ever comes to your home for business purposes, you may think you don't need coverage. But in reality you do.

What if someone takes action based on information on your website, or someone is injured using a product or service you provide?

What if the FedEx man shows up to deliver a business package and slips on your doorstep?

If it's for your home-based business, your homeowner's policy likely won't cover your liability.

So how can you protect a home-based business? Start by insuring your business right away.

You can choose from one or more of these three basic types of insurance, depending on your business's complexity and type.

1. Rider to a homeowner's or renter's policy

The most inexpensive home-based business insurance is an add-on or rider that expands a homeowner's or renter's policy to cover the company. The cost of such a rider is minimal – perhaps \$100 a year – but it generally provides about \$2,500 of additional coverage.

Such coverage may work, for example, for a graphic designer who works at home and does all of his business online, including delivering files. But it could leave a home-based business owner on the hook for costs such as a large medical bill for that injured FedEx guy.

2. In-home business policy

An in-home policy covers a broader spectrum of contingencies, including loss of critical documents or theft of funds being taken to the bank for deposit.

An in-home policy, issued by a home insurer, usually covers injury or theft. Rates typically run from \$250 to \$500 and the plans can cover as much as \$10,000 in losses. Most serious home-based business owners may want to consider picking up at least an in-home policy, which covers business equipment and liability for injury.

3. Business owner's policy

Entrepreneurs who need more than \$10,000 of coverage should pay for a business owner's policy. This comprehensive policy is what brick-and-mortar retailers, among other businesses, generally opt for.

These policies cover damage to or loss of business equipment and other assets, liability for customer injuries, loss of critical records, malpractice or professional liability claims, and loss of income or a business interruption in the case of a power outage or natural disaster.

Such a policy might also protect you when driving a personal vehicle for business purposes.

The policy protects against a higher amount of loss than a homeowner's policy rider or an in-home business policy. ❖

Don't Leave Your Business EXPOSED

Call us to discuss your options.

800.822.3694



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Insuring Your Classic Car the Right Way

INSURING CLASSIC and specialty cars can be confusing for the first-time buyer, because how you cover the car depends on how you're going to use it.

If you've never owned a classic before, you may not know the right questions to ask.

But that's why we are here.

Ask yourself if you would need any of these seven situations to be available from the company you insure your classic with:

- Being able to use your own mechanic for repairs
- Being insured for what you feel the car's actually worth
- Liability insurance when participating at club events
- Coverage for damage incurred at car shows
- Insurance coverage during restoration
- Flexible premiums based on miles driven per year
- Coverage for shipment to out-of-state or overseas events

If you answered yes to at least three of those situations, you may want to consider specialty insurance for your classic.

Specialty car insurance has been available for decades, but statistics show that fewer than half of the collector vehicles on the road today are insured by specialty programs.

That's too bad, because most standard policies will not cover some of the risks that are unique to these vehicles.

Typical Specialty Program Qualifiers

- You must own and use another vehicle for daily driving
- The car may need to be a certain age, or older
- You may need to be a certain age, or older
- The car may only be driven 2,500 miles per year, or less
- The car may only be driven for certain activities
- The car may not be driven for commercial use

To decide which coverage is right for you, ask hypothetical questions in regards to how they would handle a specific claim, such as "what would happen in the event my car was a total loss?" Each insurance company might answer that question differently.

There are three types of automobile insurance coverage offered for the total loss of your vehicle: Actual cash value (ACV), stated value and agreed value.

ACV coverage is what insures most everyday cars and pays out a depreciated "book" value in the event of a claim; the older a car is on an ACV policy, the less value it has.

Some insurance companies offer **stated value policies** for collectibles. These policies are better than ACV because they allow you to "state" a value for your vehicle that is greater than its depreciated "book" value.

But, stated value can still depreciate vehicles because the policies generally require the insurance company only to pay up to the "stated" amount.

Only **agreed value insurance** policies guarantee you will get all of your money back in the event of a total loss.

There are varied levels of service, rates and types of coverage and claims handling with standard car insurers. The same is true with specialty car insurance companies. We can help you with researching all options so you can make a decision that is right for you.

Cost should be considered, but should not be the determining factor.

When buying insurance you are buying a service; look for quality customer service, excellent claims handling and a knowledgeable staff who know and understand collector vehicles. ❖

Have a Classic?
We can help you secure the right coverage for your car



Working with an at-fault Driver's Insurer

YOU HAVE just emerged from a car accident, and the good news is that you are not at fault. Now comes the task of successfully dealing with the other driver's insurance company.

In order to begin, you must collect certain details at the site of the accident from the at-fault driver: their name, address and phone number, the name of their insurance company, their policy number, their claims number and their insurance company's address.

After you've called your own insurance company, you can begin the process by making a phone call to the company in question.

You should also obtain a police report, which should clearly spell out who is at fault for the accident.

While it is the responsibility of the at-fault driver to tell their insurance company about the accident, many of them are reluctant to do so. Therefore, it is a good idea for you to make the call in case they do not.

During the call, tell the insurance company that you were involved in an accident with one of their policyholders and also inform them of any property damage or personal injuries.

At this stage, it is only necessary to report the simple facts of the accident without telling them who was at fault.

Your opinion is not necessary in order for the police to determine who was at fault, and for the insurance company to follow the police's recommendation.

When you are involved in an accident, even if you believe that you are

not at fault, it is best to contact us as soon as possible. You can contact your account executive directly.

In most cases, we will call your own insurance company to expedite the claim.

This is important because it establishes your own good faith. It is especially important if the other party or their insurer denies that they are responsible for the accident, because your insurance company may assist you in support of your claim that the other party is at fault.

The insurance company of the at-fault party is completely responsible for reimbursing you for any damages to either your person or your property.

Nevertheless, follow these rules in all situations:

- Send a copy of the police report to the at-fault driver's insurance company, as this will probably clear up any remaining misunderstandings.
- After you have informed both your insurer and the other party's insurer, ask for an authorization for car repairs from the at-fault driver's company. You will be asked to get an estimate of the necessary work from a local garage that you may choose. Most states only allow insurance companies to recommend garages and not solely declare their services valid at one of their choice.
- Promptly make the estimate known to the insurer. Typically, this is an uneventful process, but sometimes the other insurer may tell you to seek payment from your own insurer due to lack of evidence. ❖

