



Quality Notes

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Motorcycle Coverage Specifics



There are important differences between motorcycle and car insurance. When searching for the right coverage, bikers should consider the following:

Custom equipment and apparel coverage. Customized equipment and apparel, including custom paint, chrome additions, saddlebags, helmets and jackets are not inexpensive to replace if damaged in an accident. Customization is often not included in a standard policy; make sure yours is.

Medical payments coverage. This coverage is essential if you are injured or injure someone else in an accident. This coverage becomes more important in situations where the rider's health insurance specifically excludes injuries resulting from motorcycling.

Underinsured/Uninsured Bodily Injury. Although this is optional coverage, this will help cover your injuries when the at fault party in your accident doesn't have enough (underinsured) or any (uninsured) liability coverage on their policy

Adequate limits of liability. Don't assume that an accident caused by a motorcycle will do less damage simply because a motorcycle is smaller than a car.

Motorcycles are not considered an "auto" under an auto insurance policy. Therefore, riders must understand that coverage generally provided under an auto policy for use of a non-owned auto will not extend to the use of a motorcycle. Furthermore, claims arising from the use of a motorcycle may be specifically excluded under the auto policy.

Single Parents and Life Insurance

by Marvin H. Feldman, President and CEO, LIFE Foundation

Genworth Financial just released a study finding that too many Americans who need life insurance coverage are uninsured, putting their families and futures at risk. According to the 2011 Genworth Financial LifeJacket Study, single parents across all income levels with children living at home have the least insurance for their needs, potentially leaving their children with few or no options when faced with an unexpected death. The research project found that 69% of single parents with children living at home constitute the highest percentage of uninsured Americans compared with married parents with children in the home (45%).

The Genworth study also found that only 49% of the U.S. adult population has some type of life insurance coverage. Single people, regardless of whether or not they have children, are 36% below the national level for life insurance coverage, according to the study.

The level of uninsured households tends to increase as the number of children increases, particularly at the lower income levels. The percentage drastically increases in instances of five or more children.

Whether you are a single parent or not, life insurance is that lifeline your family needs when there is an unexpected death. Talk to your agent to review your options.

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Spring Tornadoes are Generally the Most Severe; Make Sure You're Insured



The tornadoes that swept through Iowa, Minnesota and Wisconsin recently are a vivid reminder of the threat these windstorms pose to life and property, and the importance of having the right coverage, according to the Insurance Information Institute (I.I.I.).

Tornado season in the U.S. generally runs from April through July, but those that form in the spring tend to be more severe. Twisters often cause the most damage and loss of life in the densely populated southeastern states, and in the Great Plains states.

"The recent devastation, spread across multiple states, demonstrates the need for everyone to prepare for severe weather events," said Michael Barry, vice president of Media Relations for the I.I.I. "No matter where you live, you need to have the right amount, and type, of insurance in order to recover financially after a natural disaster."

The tornado that hit Mapleton, Iowa on Saturday, April 9 damaged a substantial number of homes and businesses in that community. Meanwhile, Merrill, Wisconsin, was hit by another tornado the next day, and also incurred extensive property damage. Three tornado related injuries were reported in central Wisconsin. At least three barns and one mobile home were adversely impacted by heavy winds in southeastern Minnesota on Sunday afternoon, April 10, as well, according to news accounts.

Standard homeowners and business insurance policies cover wind damage, including that caused by tornadoes, to the structure of the building and its contents. However, you should make sure your coverage limits reflect the cost of rebuilding the structure, and of fully replacing your personal belongings.

Homeowners insurance policies also provide for additional living expenses (ALE). ALE coverage pays the costs of living away from home if you cannot inhabit your house due to damage from an insured disaster. The policy's ALE provision covers hotel bills, restaurant meals and other living expenses incurred while your home is being repaired or rebuilt.

If you own a business that has been damaged, business income (also known as business interruption) insurance, covers the profits your business would have earned, based on your own financial records, had the disaster not occurred. This also covers additional operating expenses incurred as a result of the disaster, such as the extra expenses involved in operating out of a temporary location.

Damage to cars from a tornado is covered under the optional comprehensive portion of a standard auto insurance policy.

Be sure to always have an up-to-date inventory of your possessions and store it in a safe place, with at least one copy off the premises—in a safe deposit box, or with an online storage service. To help with this task, the I.I.I.'s free online home inventory software is available at KnowYourStuff.org. This will be extremely helpful in any homeowner's claim you need to make.

Contractors: Coordinate General Liability and Auto

A close relationship exists between the liability coverages available in the commercial general liability policy (CGL) and the business auto policy. Confusion about coverage commonly arises when materials or equipment are being loaded or unloaded from a vehicle.

For example, a contractor delivering materials to a job site will find liability coverage for damages caused by the loading and unloading of those materials under the business auto policy (e.g., while unloading rolls of carpet from the truck for installation, the contractor's employees knock over a pallet of paint owned by another contractor, spilling paint on someone else's car).

Once the materials are finally delivered, however, liability coverage for damages shifts to the CGL (e.g., a roll of carpet is placed in the room where it is to be installed, and it falls over and knocks paint everywhere, damaging cabinets and electrical equipment not yet installed).

It's important to understand how each of your policies works to ensure you don't have gaps in your coverage. If you have questions about insuring your common exposures, give our team a call.

Business: Payouts Are Limited for Loss of Income

For those in the construction industry, widespread damage from a storm can result in booming demand for services. Unfortunately, contractors caught in the path of the storm frequently suffer so much damage to their tools and vehicles that they can't respond or take advantage of the boost in business.

The good news is that business income policies will cover the loss of net income and continuing expenses from suspended operations due to direct damage to covered property resulting from a covered cause of loss. In essence, the damage to the vehicles and equipment will certainly lead to a suspension of operations, and the contractor should be able to collect lost income and expenses under his business income policy.

The potentially bad news is that a typical business income policy will not allow the policyholder to benefit from a loss. Basically, the policy will limit the amount of lost income to that which would normally have been earned by the contractor had the cause of loss not occurred, without adjustment for possible changes in that income had the loss occurred but not affected the insured.

For example, following a hurricane, construction services are in high demand, so if the contractor had not been damaged, their potential income would have increased substantially. Yet the business income policy will not typically pay for that additional increase beyond what the contractor would normally have earned if no hurricane had occurred.

Know your policy, and take precautionary measures, such as establishing lines of credit and securing safe storage that can be used to minimize your losses from storms.

Driver Education for Adults



Most adults think of driver education as a course taken in school or something required before obtaining a driver's license, but that doesn't have to be the case. With driving conditions always in flux and more distractions than ever, even the most mature operators can benefit from a refresher course.

As a bonus, a defensive driving course is sometimes rewarded by auto insurance companies with a discounted rate, for drivers age 55 and older. Most

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defensive driving courses run four to eight hours and are offered in various formats (classroom, online, etc.).

Some local police departments offer defensive behind-the-wheel classes, too, and often you can find instruction on vehicle safety and maintenance, such as replacing a flat tire, that can help you avoid accidents and injury in the first place. Ask your agent to see what's available in your area.

How Do I File a Homeowner's Claim?

If someone has become injured on your property or if a violent storm destroys your home, you will need to file a claim with your insurance company. Remember, a homeowner's policy is a contract between you and your insurance company. There are rules and procedures that you and your insurer must follow. Read your insurance policy to see what your responsibilities are.

If you are the victim of a theft or if your home has been vandalized or burglarized, report it to the police. Get a police report and the names of all law enforcement officers that you speak with.

Contact your agent or company immediately. Insurance policies place a time limit on filing claims; find out what the time limit is. Ask questions: *Am I covered? Does my claim exceed my deductible?* Your deductible is the amount of loss you agree to pay yourself when you buy a policy.) *How long will it take to process my claim? Will I need to obtain estimates for repairs to structural damage?*

Make temporary repairs. Take reasonable steps to protect your property from further damage. Save receipts for what you spend and submit them to your insurance company for reimbursement.

Prepare a list of lost or damaged articles. You are going to need to substantiate your loss. Avoid throwing out damaged items until the adjuster has visited your home. You should also consider photographing or videotaping the damage. Prepare a home inventory, make a copy for your adjuster and supply him or her with copies of receipts from damaged items. Be sure to always have an up-to-date inventory of your possessions and store it in a safe place, with at least one copy off the premises—in a safe deposit box, or with an online storage service. To help with this task, the I.I.I.'s free online home inventory software is available at KnowYourStuff.org.

If your home is severely damaged and you need to find other accommodations while repairs are being made, keep records of all additional expenses incurred. Most homeowners insurance policies provide coverage for the "loss of use" of your home.

Once your insurance company has been notified of your claim, the company is required to send you the necessary claim forms to you by the end of a specified time period. (The time period varies from state to state.) Return the properly filled out forms as soon as possible in order to avoid delays.

Your insurance company will arrange for an adjuster to come and inspect your home for damages.

Once you and your insurance company agree on the terms of your settlement, state laws require that you be sent payment promptly. In most cases, your claim will be processed quickly. If you have any questions about the claim filing laws in your state, call your insurance agent or your state department of insurance.

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