



Quality Notes

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Quality Insurance teams up with Salvation Army and Second Harvest Heartland

The holiday season often draws our attention to those in need. This year we will have a Salvation Army Kettle and a non-perishable food collection for Second Harvest Heartland in our office through the holiday season. Please feel free to stop by with donations if you're in our neighborhood.

Gap coverage protects "upside down" car buyers

When you buy auto insurance, insurance providers usually will only insure the car for its actual cash value. The actual cash value is determined by subtracting the depreciation from what the car cost when it was new. In some cases, someone might have to pay more money on their car then what the actual cash value is.

This happens especially when you consider how quickly vehicles depreciate in value. So if the vehicle owner totals their car, they end up having to pay the bank money on a car that's no longer in driving condition.

Guaranteed Auto Protection (GAP) insurance was created to cover the amount owed to the bank after the insurance policy pays out. Usually the auto dealer will try to sell you GAP coverage and put it on your car note.

While convenient, it can also be expensive and you'll wind up paying interest on the GAP insurance. In some cases your insurance agent can provide you with GAP insurance for a more reasonable price. Additionally, you won't have to worry about paying interest on the premiums.

Renters insurance basics

When disaster strikes, it doesn't differentiate between rented buildings and owned homes. Renters face the same risk as homeowners. Your landlord or condo association may have insurance, but it only protects the building structure, not the personal items inside.

You need your own coverage, known as renters or tenants insurance, in order to financially protect yourself and your belongings.

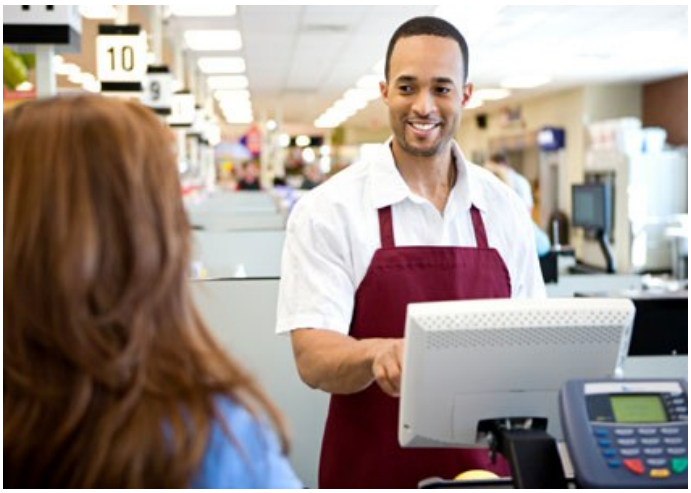
Renters insurance includes three important types of financial protection:

- Coverage for personal possessions
- Liability protection
- Additional living expenses

Possessions are just a small part of the protection a renter's policy can provide. Most policies are fairly inexpensive and might even provide a discount on your auto insurance.
Just like any other type of homeowners insurance policy, your renters insurance premium depends on a number of factors: where you live, your deductible, your insurance company and whether you need any additional coverage.

Types of Business Insurance

Insurance coverage is available for every conceivable risk your business might face. The cost and amount of policy coverage vary among insurers. You should discuss your specific business risks and the types of insurance available with your insurance agent. We can advise you on the exact types of insurance you should consider purchasing.



General Liability Insurance

Business owners purchase general liability insurance to cover legal hassles due to accidents, injuries, and claims of negligence. These policies protect against payments as the result of bodily injury, property damage, medical expenses, libel, slander, the cost of defending lawsuits, and settlement bonds or judgments required during an appeal procedure.

Product Liability Insurance

Companies that manufacture, wholesale, distribute, and retail a product may be liable for its safety. Product liability insurance protects against financial loss as a result of a defective product that causes injury or bodily harm. The amount of insurance you should purchase depends on the products you sell or manufacture. A clothing store would have far less risk than a small appliance store, for example.

Professional Liability Insurance

Business owners providing services should consider having professional liability insurance (also known as errors and omissions insurance). This type of liability coverage protects your business against malpractice, errors, and negligence in provision of services to your customers. Depending on your profession, you may be required by your state government to carry such a policy. For example, physicians are required to purchase malpractice insurance as a condition of practicing in certain states.

Commercial Property Insurance

Property insurance covers everything related to the loss and damage of company property due to a wide variety of events such as fire, smoke, wind, hail storms, civil disobedience, and vandalism. The definition of "property" is broad and includes lost income, business interruption, buildings, computers, company papers, and money.

Property insurance policies come in two basic forms. *All-risk policies* cover a wide range of incidents and perils except those noted in the policy, and *peril-specific policies* cover losses from only those perils listed in the policy. Examples of peril-specific policies include fire, flood, crime, and business interruption insurance. All-risk policies generally cover risks faced by the average small business, while peril-specific policies are usually purchased when there is high risk of peril in a certain area. Consult your insurance agent or broker about the type of business property insurance best suited for your small business.

Home-Based Business Insurance

Contrary to popular belief, homeowner insurance policies generally do not cover home-based business losses. Depending on risks to your business, you may add riders to your homeowners policy to cover normal business risks such as property damage. However, homeowners policies only go so far in covering home-based businesses and you may need to purchase additional policies to cover other risks such as general and professional liability.

Do I need workers compensation insurance?

Employers have a legal responsibility to their employees to make the workplace safe. However, accidents happen even when every reasonable safety measure has been taken.

To protect employers from lawsuits resulting from workplace accidents and to provide medical care and compensation for lost income to employees hurt in workplace accidents, in almost every state, businesses are required to buy workers compensation insurance. Workers compensation insurance covers workers injured on the job, whether they're hurt on the workplace premises or elsewhere, or in auto accidents while working. It also covers work-related illnesses.

Workers compensation provides payments to injured workers, without regard to who was at fault in the accident, for time lost from work, and for medical and rehabilitation services. It also provides death benefits to surviving spouses and dependents.

Each state has different laws governing the amount and duration of lost income benefits, the provision of medical and rehabilitation services, and how the system is administered. For example, in most states there are regulations that cover whether the worker or employer can choose the doctor who treats the injuries and how disputes about benefits are resolved.

Workers compensation insurance must be bought as a separate policy. Although in-home business and business owners policies (BOPs) are sold as package policies, they don't include coverage for worker injuries.



What is long-term care?

Because of old age, mental or physical illness, or injury, some people find themselves in need of help with eating, bathing, dressing, using the bathroom, or moving around in their home. These six actions are called Activities of Daily Living (ADLs). In general, if people can't do two or more of these activities, or if they have a cognitive impairment, they may need long-term care.

Long-term care isn't a very helpful name for this type of situation because it might not last for a long time. Some people who need ADL services might need them only for a few months or less.

Many people think that long-term care is provided exclusively in a nursing home. It can be, but it can also be provided in an adult day care center, an assisted living facility, or at home.

Assistance with ADLs, called "custodial care," may be provided in the same place as (and therefore is sometimes confused with) "skilled care." Skilled care means medical, nursing, or rehabilitative services, including dispensing medicine, undergoing testing (e.g. blood pressure), or other similar services. This distinction is important because Medicare and most private health insurance only pay for skilled care, not custodial care.

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