

## Personal Touch

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### If you rent, cover yourself

Many people who rent may assume that damage to their personal items will be covered by a landlord's insurance should their rental property fall victim to a fire, theft, explosion, or other disaster. Renters are often dismayed to learn that landlords insure only their own structures, not the *belongings* of their tenants.

As a result, renters without insurance may be carrying much more risk than they think. In addition to their personal possessions being at risk, their financial security could also be jeopardized in the event of a lawsuit.

**Renters insurance** typically covers loss or damage due to theft, vandalism, smoke, fire, explosion, windstorm, lightning, and faulty indoor plumbing. Categories of coverage usually include the following:

- **Personal Property.** Such property consists of your clothing, jewelry, furniture, electronic

equipment, appliances, bicycles, and any other items you bring into the apartment. Be aware that most policies have a coverage limit on particular items (e.g., jewelry or money), but further coverage may be available at an additional cost. Also included under personal property is protection for your belongings when they are *away* from the apartment. For example, if your dry cleaning were stolen from your car or if your luggage was

stolen at an airport, you would be covered. It is important to note that there may be a limitation on this off-premises coverage if the loss occurs at another residence such as a summer house.

- **Improvements.** If you added paneling or wallpaper to a rented house or apartment that was subsequently damaged in a fire, your policy could cover that damage.
- **Loss of Use.** If damage to the building in which you rent renders it unfit for living, your policy could pay for temporary housing, and it may also cover such items as food and laundry costs.

In addition to covering damage to your property, renters insurance can also provide **liability coverage** for personal injuries and property damage that results from your negligence. For example, if someone slips on your wet kitchen floor and sues you for damages, the liability portion of your policy may cover potential damages.





# Did You Know?

## Be safe by digging safe

Eventually, just about every property owner plans for renovations and home improvements. If you are planning a backyard project that involves digging, you should know that many state laws mandate the reporting of your excavation two to three days beforehand. Regardless of the location, utility lines may be as close as 18 inches below ground, and preventing breaks to these lines is paramount to public safety and the law.



If you do have a project on the way, many states provide free services to help prevent utility damage. If an outside company is doing the work, it is generally recommended that they call the service, since they can easily provide the information necessary to obtain a permit.

Some states require property be *pre-marked* before calling their services. Pre-marking involves using white markings to indicate the circumference of the intended excavation. Here are some pre-marking guidelines that you or your contractor should follow:

- The name or logo of the company doing the work must be shown within the pre-marked area, which is defined by white posts, flags, or paint.
- For marks done with paint, solid lines, dashes, or dots may be used to outline the intended area.

CONTINUED ON PAGE FOUR

## If you rent, cover yourself

CONTINUED FROM PAGE ONE

Although individual policies can differ, a basic policy (say, with a \$250 deductible) might cover \$15,000 worth of personal items, \$100,000 per occurrence for legal liability, and \$1,000 for medical expenses without fault. Coverage limits can be expanded to suit your particular needs.

Standard policies generally cover property loss in excess of deductibles on a “cash value” basis, which is the cost less depreciation. For a higher premium, you could obtain “**replacement cost**”

**coverage**, which pays the full cost (minus the deductible) of replacement.

If you are renting, it is important not to undervalue your personal belongings or underestimate your potential liability exposure. Comparing the risk of being uninsured to the relatively modest premiums of most renters policies may prove renters insurance to be a valuable bargain. To ensure you are properly covered, stop by or give us a call today.

## Teen Driving and Cell Phones

An analysis of teen driving habits in North Carolina by the Insurance Institute for Highway Safety (IIHS) has revealed that teen drivers often ignore bans on using cell phones and texting while driving. Prior to the state's December 2006 ban on cell phone use, 11% of teen drivers were observed using cell phones as they left school in the afternoon. Five months after the ban took effect, this rate increased to 12%.

## Home Appliance Energy Savings

According to a study by the Association of Home Appliance Manufacturers (AHAM), home appliance energy consumption has decreased dramatically since 2000. Data revealed that energy consumption of clothes washers has decreased by 63% since 2000; dishwashers, by 30%; and refrigerators, by 30%. The average refrigerator sold today consumes less energy than a 60-watt light bulb left on 24 hours a day. The AHAM recommends purchasing Energy Star-designated appliances for additional energy savings.

## Navigation Devices and Safety

Portable navigation devices positively impact drivers' perception of safety, according to a 2008 survey by the Virginia Tech Transportation Institute. Results showed that 72% of users feel less stressed in the car while using a portable navigation device, and 66% perceive that they are more relaxed. In addition, 59% believe these devices make it easier to pay attention to the road while driving, and 60% feel safer when using a navigation system.

# For Your Information

## Licenses for Older Drivers

License renewal procedures for older drivers vary by state. They may include shorter renewal intervals after a specified age, a requirement that licenses be renewed in person rather than electronically or by mail, and/or special testing not routinely required of younger drivers. The Insurance Institute for Highway Safety (IIHS) has compiled information detailing the specific regulations in each of the 50 U.S. states and the District of Columbia. For more information, visit [www.iihs.org](http://www.iihs.org).

## Chimney and Vent Safety

The Chimney Safety Institute of America (CSIA) seeks to provide chimney and venting safety resources to homeowners in order to eliminate residential chimney fires, prevent carbon monoxide intrusion, and improve heating efficiency. In addition to providing tips and answers to frequently asked questions, their website, [www.csia.org](http://www.csia.org), also features a CSIA Certified Professional Locator that can help you find Certified Chimney Sweeps and Dryer Exhaust Technicians in your area.

## Disaster Preparedness for Families

The American Academy of Pediatrics (AAP) offers a variety of resources for families about disaster preparedness and other health and safety topics. Specifically, they have created a fact sheet that highlights why children are at increased risk or are more vulnerable in a disaster, so that communities can take action to ensure children's needs are addressed in all disaster preparedness plans. For more information, visit the AAP website at [www.aap.org](http://www.aap.org).

## Factoring auto insurance rates

Although the word “accident,” by definition, means “unintentional,” many accidents are the result of negligence by at least one driver. Consequently, higher insurance costs exist for *everyone*. These higher premiums particularly affect individuals who may be considered at a greater risk of having an accident. Here's a quick look at some of the things that may affect your automobile insurance costs:



**Age Matters.** In order to arrive at equitable pricing, automobile insurers spread the cost of accidents over the insured population. According to the Insurance Institute for Highway Safety (IIHS, 2005), the highest death rates per mile driven occurs among teenagers, followed by elderly drivers and young adult males. Therefore, premium rates are generally higher for drivers under 25 and older drivers. Some states, such as Massachusetts, prohibit premium calculation based on age or gender. In those states, years of driving experience generally is substituted for age.

**Points for Safe Driving.** Most automobile insurers use a safe driver rating plan, or some variation of it, to reward drivers who have clean driving records and penalize those who have a history of accidents and/or violations. Thus, the

driving records of operators listed on your policy directly affect your automobile insurance premiums.

**Where You Live.** Population density and the number of vehicles on the road are two other important factors that help determine your insurance costs. As people and cars vie for limited space on the road, accidents are more likely to happen. Territories (a town, a large city, a county, or some defined geographical subdivision) are rated based on the losses, or “risk” profiles, for such areas. Premiums are weighted by the record of insurance losses, such as accidents, theft, and vandalism, as well as the history of police enforcement of traffic laws in each given territory.

**Your Vehicle.** Certain cars may cost more than others to insure, depending on a variety of factors. Vehicles will generally be more costly to insure if they are expensive, carry a high theft risk, carry lower safety ratings, or cost more to repair. A common question for many policyholders is, “Why isn't my policy premium going down as my car gets older?” Premiums tend not to decrease because liability concerns remain the same regardless of the age of your car; furthermore, the costs to fix an older car are generally comparable to the expense of repairing a newer vehicle.

In summary, it is the driver's record, his or her vehicle, and its use that set the basis for calculating auto insurance premiums. Some of these factors may or may not be in your control. To understand what is in your control—and how to use it to your advantage—feel free to give us a call. One of our qualified representatives will be happy to address any of your auto insurance concerns.

### Pull the plug on electrical fires

**D**evastating home fires can be traced to a number of causes, such as cooking equipment, children at play, and cigarettes. However, fires originating in a home's electrical distribution system, which includes wiring, switches, receptacles, and outlets, as well as light fixtures, lamps, light bulbs, cords, and plugs, are among the costliest in terms of property damage.

According to the National Fire Protection Association (NFPA), electrical distribution equipment accounts for one of every 12 reported home fires. Each year between 1999 and 2002, these fires caused 220 deaths, 950 injuries, and approximately \$674 million in property damage (NFPA, 2006).

Routine home maintenance is the key to preventing an electrical fire.

This means regularly inspecting your home and its surrounding property for hazards, including overloaded electrical circuits, frayed or cracked cords, improperly installed outlets, and loose connections. Here are some other safety tips to consider:

- Do not cover extension cords with rugs or run them behind curtains.
- Make sure light bulbs are the correct wattage for the fixtures.
- Do not place televisions, stereos, computers, or other electronic equipment in cabinets without ample airflow.
- Use a power strip with its own circuit breaker instead of overloading outlets with multiple appliances or lights.
- Keep space heaters, lamps, and other heat-producing items away from walls, curtains, and furniture.
- If lights are flickering or cover plates on wall outlets are warm, contact an electrician immediately.

Even if a faulty electrical distribution system does not cause a fire, it may result in damage to your electrical devices or even cause electrical shocks to your family. Please be aware of electrical hazards and install a smoke alarm on every level of your home. To make sure you and your family are fully protected from fire and other disasters, stop by or call us today for a review of your insurance program. We can help you determine whether you have the proper coverage in place.

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### *Be safe by digging safe*

CONTINUED FROM PAGE TWO

- Additional excavation outside the marked area will require another permit.
- Oftentimes, companies that participate in a state program and own or care for utilities within your pre-marked area will mark their pipes accordingly. If privately owned utility companies exist in your area, you will be held accountable for contacting them about your intended digging.
- Work that involves the entire property must be defined by marking the property perimeter, which indicates that work will be done throughout.
- Neglecting to pre-mark an area may jeopardize your permit and/or result in a civil penalty.

Soil erosion, grading, and other environmental factors can mean that old measurements are no longer accurate. Some state laws require non-mechanical digging be used for sites that come within 18 inches of a marked utility. Dial 911 immediately if a line is damaged and the possibility exists of risking public health. Next, you must notify the company whose line was damaged. Do not try to repair the line yourself. It is a good idea to be prepared for an accident by learning

the safety procedures of relevant utility companies before your project begins.

If you are considering a digging project in the future, you can contact utility companies directly to determine what obstacles may be in your area. Utility companies will often provide maps and/or drawings, or they may even arrange meetings to help lay out your planned excavation. There are many services available to assist you with your renovating and digging projects. Utilizing them fully may not only be the law, but it will also help ensure the continued safety of your family, neighbors, and community.