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## Personal Touch



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### Buying a new home? do your “homework”

**B**efore buying a new home, you'd be wise to do your “homework” to avoid taking on some problems that your **homeowners insurance** may not cover. Having a home inspection is an important step when contemplating the purchase of property. A professional inspector should be familiar with building codes and be able to determine if any problems exist, or if the house is “up to code.” Be sure to accompany the inspector to your prospective new home and watch as he or she examines these often overlooked problem areas:

**Pipes**—One telltale sign of problem pipes is small bits of metal remaining in the bottom of a plugged sink after you have filled it with hot water. These metallic specks usually reflect light, even in metal sinks, and they may be an indication of corroded, galvanized metal pipes or a rusting water heater. In addition, you should check the water pressure by running all faucets and flushing all toilets. If the water flow is slow, a

plumber should be able to determine if clogged pipes are the cause.

**Furnace/Water Heater**—The inspector should check for moisture at the base of the water heater and look for holes in the heat exchanger of the furnace. Even a small hole could allow toxic exhaust fumes to spread through the house. Many gas companies will check heat exchangers at no charge. Also, the attic should be inspected for loose pipes or air leaks.

**Electric Outlets**—Every outlet should be examined after removing the cover plates. Don't attempt this yourself, as the sockets must be grounded with a ground wire (usually an insulated copper wire connected to the same side on each outlet). In addition, look for GFI (ground fault interrupter) circuitry in all bathrooms, as well as in the kitchen. A GFI quickly cuts off power when an electrical appliance, such as a hair dryer or radio, touches water. If your prospective home doesn't

have such circuitry (as may be the case in some older houses), it will need to be installed.



**Water Drainage**—Be on the alert for water in the basement or under the house, slightly depressed damp spots on the ground around the house, and watermarks above floor or ground level on the basement's foundation walls. Clogged gutters or poor grading of the property may be a cause of bad water drainage, and re-grading could be very costly. If re-grading isn't necessary, a pump may be sufficient to draw out water below grade level. As a condition of

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# Did You Know?

## In the doghouse with vicious breeds

If you are a dog owner, your pet may be your loyal friend and constant companion. However, if you are a homeowner, your dog could cause a few problems. Sometimes your dog's *breed* can affect the approval or renewal of your **homeowners insurance**.

According to the Centers for Disease Control and Prevention (CDC, 2005), approximately 4.7 million people suffer dog bites each year. The Insurance Information Institute (III, 2005) estimates that dog-related injuries cost the industry \$320 million in 2003 alone. As a result, coverage may be denied to those homeowners who own high-risk breeds, or high premiums may be involved in securing coverage.



### Case by Case

Sometimes dogs may be considered by their case history and temperament, but additional concern may exist around breeds that have caused the greatest number of fatalities over the past 20 years according to the CDC. Those dogs, in descending order, are as follows: "Pit Bull," Rottweiler, German Shepherd, "Husky," Malamute, Doberman Pinscher, Chow Chow, Great

Dane, and Saint Bernard. Although the insurance industry does not have a nationwide list of "unacceptable" dogs, there may be varying levels of tolerance for each breed. In addition, some state laws do prevent considerations of specific breeds.

If your dog's breed raises concern, you may be asked to provide further information, such as whether the dog has undergone attack training or has bitten someone in the past. If your dog does have a history of biting, you may need to explain what the circumstances were, whether the dog was provoked, and if measures have been taken to prevent further occurrences. For unprovoked attacks, you may be denied coverage or renewal, or you may need to add a **disclaimer** for the dog to your policy.

The CDC offers the following tips to help prevent dog bites:

- Be careful of the dog you choose. Make sure the breed's temperament and inclinations are a suitable fit for your lifestyle and living situation.
- Reduce aggressive behavior by spaying or neutering.
- Supervise children in a dog's presence. Teach children animal safety tips.
- A dog with a history of aggressive behavior may not be appropriate for a family. Furthermore, don't teach your dog to be aggressive with games such as tug-of-war.
- Beware of stray dogs or those behaving strangely. Leave unfamiliar dogs alone.
- If a dog attacks you, don't run and scream, and if you are on the ground, protect your head and neck.

### Homes Lack Flood Insurance

According to a recent study by RAND Corporation, sponsored by the Federal Emergency Management Agency (FEMA), only 49% of homes in special flood hazard areas (SFHAs), areas with at least a 1% chance of experiencing flooding in any given year, have flood insurance. Most homes located in SFHAs are required by federal law to purchase flood insurance. Study results also revealed that only 1% of homes outside of SFHAs have flood insurance.

### Vacation Costs Rising

According to AAA's Annual Vacation Costs survey, the overall cost of taking a vacation in 2006 increased by 5.4% from last year. For a family of four, the average daily cost of food increased by 2% and that of lodging rose 9%, bringing the total projected cost to over \$250 a day. AAA began tracking costs associated with vacations in 1950, when the average cost of food and lodging for a family of four was \$13 a day.

### Dangerous Driving Distractions

A 2006 study by the Virginia Tech Transportation Institute found that driver inattention, due to using cell phones, eating, applying makeup, reading, and reaching for objects such as the radio or CD player, accounts for 80% of all accidents and 65% of near accidents. In addition, drowsy drivers are four times more likely to crash or narrowly escape a crash than motorists who are rested.

# For Your Information



## Determine Vehicle Safety

Vehicle safety has become a top concern for the American consumer looking to purchase a new automobile. In response, the National Highway Traffic and Safety Administration (NHTSA) offers [www.safercar.gov](http://www.safercar.gov), a website that compiles data on the crash test results and rollover ratings of new vehicle models. Site visitors can also view tips on becoming a smarter driver, file a safety-related complaint, and check the status of ongoing investigations and recalls.

## Know Your Stuff

A thorough and accurate home inventory can help homeowners determine insurance needs, settle insurance claims quickly, and substantiate losses of property for tax purposes. To help homeowners compile the necessary information about their property, the Insurance Information Institute has developed inventory software called "Know your Stuff." A free copy of the program, along with instructions for its use, can be found at [www.knowyourstuff.org](http://www.knowyourstuff.org).

## Shop Smarter for Lower Energy Costs

Consider the energy consumption of new, energy-efficient appliances and electrical devices when weighing any additional costs associated with this equipment. The U.S. Department of Energy's Office of Energy Efficiency and Renewable Energy (EERE) offers a formula, based on wattage and estimated daily use, to project a device's energy consumption, which, in turn, can help the informed consumer assess and reduce energy costs. For more information, visit their website at [www.eere.energy.gov](http://www.eere.energy.gov).

## in the doghouse with vicious breeds

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- A dog that is sleeping, eating, or with puppies should be left alone.
- If you suffer a dog bite, report it to your dog officer at once.

If you are a dog owner whose dog is responsible for biting, it may be in your best interest to help the victim and report the incident. It will also be important to notify your insurance company and to cooperate in any investigation that may ensue.

Most importantly, teach your dog loving and trusting behavior starting when it is a puppy. By creating an atmosphere of trust and socialization, your dog should become well adjusted to its environment. This will also help decrease the likelihood of it lashing out in fear or anger in the future. Teaching your loyal companion and best friend good behavior is the best and only way to prevent bad behavior. Doing so may also help ensure your homeowners policy will be approved and renewed.

## Check the health of your homeowners insurance

When was the last time you reviewed your **homeowners insurance**? For your financial health, it's important to make sure that costly coverage gaps haven't developed since you purchased your homeowners policy. Here are some tips on how to keep your insurance up-to-date with changes in your home and possessions:

- **Be familiar with your homeowners policy.** Read your policy's provisions, limits, and exclusions, and contact your insurance representative with any questions.
- **Have your home appraised regularly.** Be sure to get a regular appraisal of your home's value so you can adjust your insurance coverage for appreciation, rising construction costs, and home improvements.
- **Check community building codes.** Sometimes, a damaged home can't be reconstructed exactly as it was without violating current building codes. Knowing about these potential expenses in advance can give you time to obtain extra insurance protection if necessary.



- **Take a home inventory.** You can estimate how much insurance you need by documenting your possessions, both on videotape and on paper. This record also will be very helpful in the event of a loss.
- **Evaluate your liability exposure.** A personal umbrella policy with coverage limits high enough to help protect you from the risk of a large liability claim may be a worthwhile consideration.

A regular homeowners insurance checkup is a simple preventive measure that may help spare you the financial pain of being underinsured.

### *buying a new home? do your “homework”*

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the sale, you might consider requiring the owner to bear this cost.

**Dry Rot**—Inspect under tile, linoleum, decks, and the support beams under the house. Look for a coating on the wood, often black or yellow in color. When wood is infected, it is often soft and yielding to a prod from a screwdriver. Be sure to lift the edge of any loose tiles and linoleum corners to check for dry rot.

**Floors**—Getting to the bottom of floor problems may necessitate peeling back the carpets if a serious defect is

suspected. Extensive cracks in a cement floor or uneven or damaged wood floors may be lurking under carpeting. Being on your toes, literally, can locate a problem. Walking carefully in stocking feet over the entire floor may help detect floor separations and cracks. Floor supports should be inspected from underneath, either through a crawlspace or from the basement. Check the joists and columns under the house for dry rot, cracks, or loose beams. Also, test sloping floors with either a rubber ball or a large level.

#### *Key Concerns*

There are two “keys” to securing good protection from problems. The first is to take advantage of a professional inspector’s expertise to thoroughly inspect your prospective home and help ensure it doesn’t turn into a “money pit.” The second is to have the best insurance possible to protect your family and your new home. Give us a call. We can help you create a strong “foundation” for your new home with the proper homeowners policy.

## Airport safety for travelers

**I**n this fast-moving world, many vacationers and other travelers often find themselves, quite literally, up in the air. It is wise to remember that crime doesn’t stop at the airport terminal doors. If your next excursion requires you to fly, consider the following steps to help protect yourself from the possibility of theft or assault.



- Don’t wear flashy or expensive jewelry or clothing on your flight. It may help you stand out to those seeking a wealthy target.
- Avoid carrying your money, credit cards, or other valuables in one area of your clothing. This will reduce the chance of your being “wiped out” if something is lost or stolen.
- Never leave luggage unattended. Even if you just turn your back to get a quick soda, a thief can strike in the blink of an eye.
- Be observant and be prepared to react quickly. Overloading yourself with luggage may prevent you from acting quickly to protect yourself.
- Know where you’re going! Travelers who appear lost are primary targets for criminals. If you are lost, seek help from airline or airport personnel, not strangers.
- Keep a strong lock on checked luggage and frequently check any carry-on luggage to ensure its contents are intact.
- Check for logos and familiar company names on transportation vehicles. If in doubt, ask to see the driver’s identification.
- Finally, consider what time of day you will be returning before you park your car. If you will be returning at night, remember to park where there is good lighting, preferably near the exit you will be using.

Airports can be cluttered, confusing, and potentially unsafe, but they don’t have to be “terminal.” Following these simple steps can help make your next vacation a safer and more pleasurable experience.