

# Insights and Updates

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## Teen drivers

There's no shortage of worries for parents when their children reach legal driving age. In addition to their concerns for safety and responsibility, the effect a new, young driver will have on the bottom line of an insurance policy also demands attention. Many parents assume there's not much that can be done aside from the grin-and-bear-it routine. However, there are several strategies that parents and teens together can employ to relieve some of the added financial stress.

New Jersey's graduated licensing law has created issues for many. Since May 1, 2010, New Jersey has required all drivers younger than 21 with learner's permits or probationary licenses to display red decals on their license plates. In addition, the law also moved the curfew for teen drivers from midnight to 11 p.m., and it did away with a sibling exception to the one-passenger limit. A study by Insurance Institute for Highway Safety found that many young drivers neglected to use the decals, and citations for curfew and passenger violations have risen since the law. Make sure your young driver displays a decal and obeys the graduated licensing laws to avoid violations that could impact your insurance premiums.

Raising your deductible is one adjustment you and your agent can make. Opting for a higher deductible, such as \$1,000 instead of \$250 or

\$500, can save you money, but you do assume greater financial responsibility if there's an accident.

If you have a good driving record yourself, adding your child to your existing policy will likely be the best option. If that isn't the case, acquiring a separate policy might be the better, cheaper option.

In terms of what car you want your child to drive, a vehicle noted for its safety features will help lower your premiums. Another option is to buy an older car with a low market value and do away with collision and comprehensive coverage altogether. Even if it's totaled, it may not be worth much more than the deductible.

There steps your child can take to ease the financial burden. Many insurers offer a discount for children who receive good grades. Taking an insurer-approved driver-safety course, passing a safety test, or even just watching an instructional

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film also can earn a discount.

Additionally, some carriers reduce premiums when a young driver leaves home for college, or reaches the age of 23 or 25.

Most importantly, keeping your agent informed will allow us to help you best. Let us know when your child reaches driving age, when he gets his permit, when he passes graduated licensing requirements, when he goes to college, if he takes a driver safety course, etc. We're here to make sure your family has the coverage it needs for the price you want.



## Earthquakes— be sure you're covered

After last year's floods and a relatively calm winter, the 5.8 magnitude earthquake that rocked the Northeast last August may seem like a distant memory. But, it should have served as a reminder that our region is not exempt.

Unfortunately, most standard homeowners policies exclude damage caused by earth movement (meaning earthquakes and any other earth movement, including earth sinking, rising or shifting).

Don't be complacent: You can purchase an endorsement to your homeowners, renters or business policy to cover your losses from earthquakes and aftershocks. Since different building materials react differently to earth movement (brick vs. wood, for example), policy premiums vary by the type of construction of the building and they usually are determined by a percentage of the building's value.

Remember, once a quake is detected, it's too late. You can't buy the coverage within 72 hours after an earthquake, and damaging aftershocks are always a possibility within that period of time.

If you belong to a townhouse or condominium association that has inadequate earthquake coverage (or none at all), you could be assessed for repairs to common property. If you have earthquake coverage and loss assessment coverage on your unit-owners policy, you may be able to extend it to cover you for this liability to the association. Please check with our agency for more information.

## Are you one of the 10 percent?

According to the Self Storage Association, nearly 1 in 10 U.S. households or 10 percent (10.8 million of the 113.3 million U.S. households in 2007) currently rent a self-storage unit. This number has increased from 1 in 17 U.S. households (6 percent) in 1995—or an increase of approximately 65 percent in 15 years.

Are you one of the 10 percent? If so, did you know there are specific insurance-related issues to address when renting a storage unit? Do you have the proper coverage?

Standard homeowners and renters insurance policies generally cover personal items that are stored off your property, but there may be restricted limits on the value of this property. We can help you adjust the policy to meet your needs. Certain items (e.g., furs, jewelry, gun collections, fine arts, etc.) may require special attention to be certain they are fully insured. Like

the property at home, this off-premises property also will not be covered for floods and earthquakes without additional insurance.

Once you've found a well-maintained, secure storage facility with a good reputation, be sure to ask about the insurance coverage offered with the rental unit in the event of theft, fire and other happenstances.

But, before you sign your storage-facility renters agreement, give our agency a call. We will review your current insurance policy to make sure you have the right coverage for your needs, discuss the difference between actual-cash-value or replacement-cost coverages and answer any questions you may have about storing your property off-site.

Oh, and another tip: Don't forget to include the property in your storage facility in your home inventory.





## Even if you rent, you need insurance

Renters face the same risk as homeowners if a disaster strikes their residence. The landlord or condo association may have insurance, but this will protect only the building, not the possessions inside.

If you think your landlord has to pay for the damage or the cost of replacing your items, think again. Your landlord carries insurance that will cover his loss in a situation where the building is destroyed or damaged in some way. It doesn't cover yours.

Renters insurance covers most of your possessions against losses from fire or smoke, lightning, vandalism, theft, windstorm and water damage from plumbing. However, most policies set a limit on specific items such as jewelry, firearms and silverware. If your valuables exceed the limit, you may want to consider a floater policy, which provides additional coverage on these items.

Don't forget about the additional living expenses. With renters insurance, in case

of a loss, your policy will pay for the cost of additional living expenses and temporary housing. Renters insurance also covers you if another person is injured at your home or elsewhere by you, a family member or your pet. It also will pay your legal defense if you are taken to court.

**“If you think your landlord has to pay for the damage or the cost of replacing your items, think again.”**

Once you have a policy, you should take an inventory of all your possessions. Your inventory should list each item, its value and, if possible, serial number. Photograph or videotape each room,

including closets, attics, basements, storage buildings and your garage. Keep receipts for major items in a fireproof place. Keep several copies of your inventory and receipts in another location.

Renters insurance is relatively inexpensive. Just like any other type of homeowners insurance policy, your renters insurance premium will depend on a number of factors: how much coverage you choose, where you live, your deductible, your insurance company and whether you need additional coverage. Many insurers offer a discount for protective devices including smoke and fire detectors and burglar alarms and also if you have your auto insurance with them.

Don't underestimate the importance of renters insurance. Call our office today. Be prepared for the unexpected before it occurs.



## Overseas auto rental insurance



We've written before about rental cars and whether or not to take the insurance offered by the rental agency. In the United States, more often than not, your auto insurance policy will protect you against theft or damages to a rental vehicle too. (Give us a call before you rent to be sure.) Not only that, the credit card you use to book the vehicle may offer additional coverage. Even taking a rental across the borders to Canada, odds are you are covered. (Though again, double check with us first.) However, heading down Mexico way or crossing the ocean to—say—Europe or Asia, are different scenarios entirely.

Your rental car protection most likely will end when you go beyond the U.S. and Canada, unless you have an umbrella policy that covers

you worldwide. Even then, it may not cover damage to the rental vehicle, only liability for injury or damage incurred by others. The rental car agency will offer the required insurance, but be prepared to spend more money on the rental. There may be other options available with the terms of your credit card.

Just as in the U.S., you'll need liability, collision and comprehensive coverage. And, just like each state here has different coverage requirements, you'll need to meet the minimum auto insurance standards of the country or countries you'll be visiting. Let us know if we can help you plan for this aspect of your overseas travel to make sure you have the coverage you need—without the pressure of a decision at the rental desk, with a line waiting behind you.

## News from our agency

Staying informed and up-to-date on your insurance policies isn't just a wise precaution, it also can save you money and give you peace of mind. If you haven't reviewed your coverage in a while, you might be paying for things you no longer own, unnecessarily covering additional drivers, such as children who have since moved out or bought their own car. Or perhaps you do not have the appropriate coverage for other items you own. Other insurance carriers might be offering better, options that meet your coverage needs. If you've simply been renewing your policy over and over for a while, sitting down with your agent for a review might leave you with better protection as well as a little more money in the bank.

Give us a call and we can go over your policy together to make sure you're properly covered and not paying for something unnecessary. We're here to help.

