

Insights and Updates

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N.J. Senate committee proposes lowering fines

A bill in the Senate proposes lowering the fines for drivers if they forget their license, insurance identification or registration cards.

Under the new bill, the judge would be able to decide what the fine would be, currently \$150 plus \$23 in court fees, and not allow him or her to make it more than \$100.

If you're a busy mom, running your kids around town and you've forgotten your license, with this bill, you won't have to pay close to \$180. And, if you've forgotten all three, it won't cost you almost \$500.

This bill already has passed the Senate Transportation Committee.

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Doing home renovations this spring?

Home improvement can be both exciting and intimidating. If you decide not to do it yourself, it is important that the services of a trustworthy home remodeling contractor be engaged.

Each year, the New Jersey Division of Consumer Affairs receives thousands of complaints from consumers who are less than satisfied with the results of the contractors they hired.

Home improvement contractors must register with the Division of Consumer Affairs each year unless specifically exempted. Contractors who are not registered will not be allowed to do home improvement work in the state.

Protect yourself

There are several ways to protect yourself and your property before you begin your home improvements:

- Contact Consumer Affairs to see if there have been any complaints filed against the contractor.
- Make sure the contractor is registered.
- Get written estimates from more than one contractor.
- Ask how long they've been in business, if they have liability insurance (which is required by law) and whether subcontractors will be used.
- Ask for references and contact them.
- Do not pay up front. The typical arrangement is one-third to start, one-third halfway through the

job and the final one-third when the job is complete.

- Do not pay with cash.

These are just a few suggestions.

For more information, call the New Jersey Division of Consumer Affairs at (800) 242-5846 or visit their website at www.njconsumeraffairs.gov.

Whether you're adding a porch outside or installing kitchen cabinets, give us a call to help determine if you need to adjust your policy. Whenever you add on to your home, you increase its value. If something happens after you've made the update, you'll want to be sure you're covered for the increased amount of your home's value. If you don't adjust your homeowners insurance policy and something happens, you'll only be covered up to the amount of your home's prior value.

This past winter's weather is still causing a flood of concerns

People in high-risk flood areas are not the only ones who need flood insurance. In fact, approximately 25 percent of all flood insurance claims come from areas that are not considered high risk. Winter run-off, heavy rains and water backup from overlooked drainage systems can cause thousands of dollars in damages to homes. Flooding can happen any place at any time.

Unfortunately, too many people find out too late that flood damage is not typically covered by homeowners insurance. Only a flood insurance policy will protect homeowners from costly flood damage. And, a 30-day waiting period exists between the time the flood insurance is purchased and the time the coverage goes into effect. Waiting until the next storm warning to purchase flood insurance is dangerous, since coverage probably will not begin in time.

The National Flood Insurance Program offers flood insurance at federally subsidized, premium rates, which we may be able to help you purchase. Contact our agency to get the coverage you need to protect your family from the devastation flooding can cause.

College graduates: Keep yourself covered

Young adults must make a number of adjustments when they graduate from college and enter "the real world." One of the more abrupt changes concerns health insurance coverage. It's not easy to land a job with full health benefits straight out of college, so contingency plans are often necessary.

A common justification from young people for going without coverage is that youth is on their side. Contrary to that popular misconception, the U.S. Department of Health and Human Services says "one-in-six young adults has a chronic illness like cancer, diabetes or asthma. Nearly half of uninsured young adults report problems paying medical bills." In addition, more and more people rely on prescription drugs to stay healthy. And, there's always the risk of an accident—anything from a car crash to a simple slip and fall can result in serious medical problems.

Many graduates take health coverage for granted, since they've always been included on their parents' policies. However, some insurance companies will not allow parents to include their grown children on their policies if they are no longer students. Other insurers tie termination to when the child turns a specific age. Parents should check their policies to see which is the case. Some states have laws preventing

insurers from dropping grown children younger than a certain age from their parents' coverage.

Some policies contain a loophole for "students." If a dependent child can be classified as a full-time student, he or she can still receive coverage on their parents policy. So, if the graduate is planning to begin a graduate program, coverage sometimes can be retained.

Another way for recent graduates to ensure continued coverage is by signing up for Consolidated Omnibus Budget Reconciliation Act benefits. The COBRA law allows graduates to continue their existing health coverage for up to 36 months. More information can be found on the COBRA website: www.dol.gov/dol/topic/health-plans/cobra.htm.

Student health insurance is another option available to most full-time students. This type of coverage may continue after graduation, but often the policy must be written within a certain period before commencement.

Short-term health insurance also may be available as well. This temporary coverage can provide a safety net to those who need to span a short period. Neither student nor short-term coverage is ideal. There are gaps in coverage, and with short-term coverage if an accident renders you in need of ongoing care, the policy can expire after six months or a year, leaving you with hefty expenses.

With a little research you can find the best fit for you and your family. And, as always, as your independent insurance agent we will help you along the way. Call us with any questions or concerns.





Car + teenager = (expensive) trouble

Statistically speaking.

Driving is one of society's more dangerous activities no matter who is behind the wheel. But, according to an Autos.com interpretation of Census data, "[f]or every mile driven, teens between the ages of 16 and 19 are four times as likely to be involved in a car crash."

It's no wonder that car insurance premiums are so high for this age group. But, parents can take comfort knowing there are some steps you can take to lower your sons or daughter's risk and his or her insurance premiums:

- Learn the law and help your teens do the same. A driver who adheres to the rules of the road is a safer driver. Part of helping your teen learn is setting a good example. Obey the speed limit. Don't tailgate. Stay calm behind the wheel. Your example will make it easier to convince your children to become safe drivers.
- Keep the grades up. Some insurers have made the connection between good grades and a more responsible young adult. Many offer a discount—sometimes as high as 25 percent—for students who maintain a B average or higher.

- Educated drivers are safer drivers. Insurers recognize this truth with discounts for driver-education courses. Call us to find out which classes are covered before making a deposit.
- A sports car makes an excellent

"...for every mile driven, teens between the ages of 16 and 19 are four times as likely to be involved in a car crash."

-Autos.com

midlife-crisis mobile. It's absolutely the wrong vehicle for a teen. Plus, sports car = higher insurance rates.

- Keep a close watch. Don't allow your teen to drive his or her friends around unless you or another responsible adult goes along for the ride.

- Keep night-time driving to a minimum. People who drive at night are exposed to a greater risk of accidents.

If you're just trying to find the lowest rate you can try these:

- Get them on your policy. If your son or daughter drives a family car, he or she can be added to your policy. In fact, some companies will insure young drivers only on a family policy.
- Make an older car your teen's vehicle. Old cars—we're not talking classics here—usually do not need collision and comprehensive coverage. Drop these.
- Raise your deductible. If you have sufficient cash in case of an accident, a higher deductible will reduce your premium cost.

Regardless of which strategies you pursue to reduce risk and control costs, give us a call, as you put your teen on the road. We can help you sort through your options, as well as discuss the ramifications of these tactics, as you get your child driving safety—at a price you can afford.



Windstorm reminder



June 1 through Nov. 30 is hurricane season. And although the Northeast may not be quite the hurricane mecca that the Gulf Coast is, hurricanes and windstorms still are a real threat to homeowners along the eastern seaboard.

A home near the coast typically has a higher deductible for windstorm loss than for other causes of loss such as fire or theft. The deductible applies to each windstorm or hurricane that causes damage. And, inland households are not immune to the risk either. A hurricane can have a long reach—and don't forget, even a thunderstorm can cause significant wind damage.

Although damage from windstorms is covered by all standard homeowners policies, our agency doesn't want a windstorm to be the moment you decide to check your homeowners policy. We would rather you knew in advance. So, please, if you aren't sure what your deductible is, give us a call.

News from our agency

Tips for keeping your homeowners insurance down

People always are looking for ways to cut expenses, especially in today's economy. Following are a few suggestions for consumers to save on their homeowners premiums.

- Re-evaluate coverage amounts. Many policies have inflation protection that increase coverage amounts automatically. This was needed in the years leading up to the crash, but today it should be looked at more closely.
- Small claims can become expensive. Homeowners should have the highest deductible they can comfortably afford and repair minor items out-of-pocket, rather than filing a claim. Filing a claim for every broken window can increase premiums 10 percent or more.
- Check your credit report. Insurance companies check credit history before figuring rates. This is done to help them assess the payment risk and individual policyholder responsibility.

Finally, give us a call. As a professional independent agency, we have access to several different companies. Let us shop around for you to find the best price for the best coverage to fit your homeowners needs.

