

Insights & Updates

Summer 2003

Loan your car, loan your insurance

You're at a friend's house for a backyard barbecue, when the host realizes he's running low on chips and soda. He wants to make a run to the store to get some more, but the guests have blocked his car in the driveway. Your car, however, is parked on the street and you would like to offer it to the host, but you wonder if your car will be covered by insurance if driven by your friend.

Here's the good news. Not only will you be covered if you are sued for damages caused by an accident, but your friend will be protected as an insured person, as well. Anyone who operates your car with permission is insured for liability on your policy. Of course, if someone regularly operates your car, or lives in your household, the insurance company will require information on the driver, just like it gathered information about you.



Don't worry about damage to your car either. If you have physical damage coverage (that is, comprehensive and collision), then your policy will respond to the damage to your car while driven by another person, whether that person has permission to drive it or not. If the driver has your permission, then the policy also promises not to seek reimbursement from that driver for the claim that is paid, even if the driver can be held legally liable for the damage.

As far as injuries to your friend, typically, your friend's own policy will pay the medical expenses incurred and income lost, assuming your friend is a New Jersey resident. If your friend is not a New Jersey resident, your policy will pay medical expenses and lost income in the same way that it would pay you. These are covered Personal Injury Protection benefits under New Jersey's no-fault law. For specific circumstances, you may need to call us for details on how PIP coverage will respond.

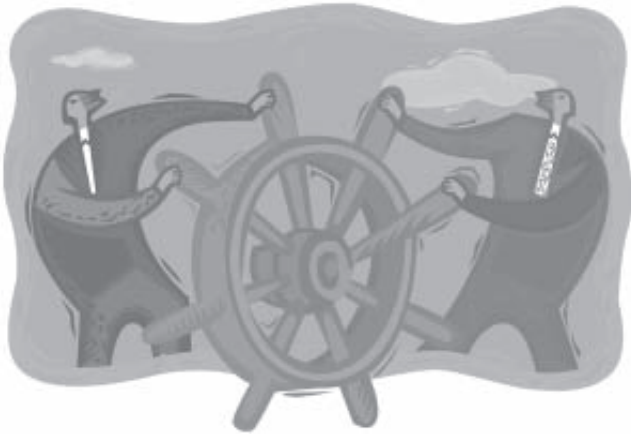


Paying on time is good; paying late is bad

Did you know that besides incurring the risk of having an uninsured loss, late payments can actually affect the rates you pay? Issuing cancellations, processing late payments and, then, issuing reinstatements, add significant costs to the servicing of insurance policies. We recommend that you always pay your premiums on time. You can no longer rely on acceptance of late payments to the company or agent. Some insurance companies have a low tolerance for late payments under policies that are eligible for their preferred pricing. Some may even decide that late payments make you an undesirable risk and nonrenew your policy. Make sure the check will clear, allow proper mailing time and check due dates of bills before you go on vacation. For the sake of your peace of mind and keeping the best insurance rates possible, send in your premium payments well in advance of the due date. Don't try to be creative when paying premiums. Otherwise, you may pay the price later on.

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Ahoy Matey! How's your coverage?

So you're ready to weigh your anchor and head off for the seven seas. Before you cast off, make sure your boater's insurance is up-to-date and supplies you with the right coverage for your needs.

But how important is coverage? In 2001, 6,419 boating accidents occurred in the United States, which included 4,274 injuries and 681 fatalities, according to data compiled by the U.S. Coast Guard.

With all the accidents that happen each year, you can see it's important to shield yourself and your investment. Now, should you include your boat on your homeowners policy? Or should you seek individual coverage?

A typical homeowners policy covers liability for damage to property and bodily injury to others for a sailboat under 26 feet, or a boat powered by an outboard motor of 25 horsepower or less. While it covers damage to any of your watercraft up to \$1,000, there is no coverage for most incidences of theft, windstorm or perils of the sea, such as sinking, stranding and running aground.

To make sure you and your boat are protected in the event of an accident, it's necessary to understand that there isn't a standard policy for boat insurance like there is for homeowners and auto policies. Since offerings can vary from one insurance company to the next, let us help you determine which policy is best for you.

Keep in mind that coverage options include protection for your boat, motor, trailer and equipment, medical coverage, liability coverage and legal defense protection. When writing a policy, certain companies may have policy discounts for newer boats, completion of safety classes and/or lay-up periods. Since older watercraft are typically insured for their actual cash value at the time of loss and depreciate in value over time, you may want to obtain a new appraisal at the time of renewal.

Be sure to note any limits in your policy, such as boundaries of navigation—where a boat can go and still be protected by the insurance policy. Also be sure to check for adequate limits of liability insurance and provisions for insuring sails and other property in the boat.

With all the factors and coverage choices available to you, let us help you keep the "fun" in "fun in the sun." Call us to make sure you have the boating insurance you need.



Hit the road with a carefree mind

Beautiful summer weather and accrued time off can only mean one thing—vacation. Now is the time for you to jump into your motor home, hitch up your camper or cruise around on your motorcycle. The last thing on your mind will be your insurance coverage.

But, it is something to think about.

Standard homeowners policies have limited coverage for recreational vehicles but special recreational vehicle policies are available to fulfill your coverage requirements. Typical coverage includes bodily injury, property damage, collision, comprehensive, contents and medical payments.

The advantages to a **motor home** policy include protection from accidents, fire, smoke and other natural disasters; expense coverage in the event of emergency lodging; discounts for a clean driving record; coverage for the vehicle and your personal belongings; and towing and roadside assistance.

Remember that premiums may be increased for inexperienced drivers or those with a poor driving record.

Camper policies also offer protection against accidents, fire, smoke and other natural disasters [of coverage] and discounts for a good driving record or owning multiple policies with the same insurer. Premiums are generally based on the type, size, cost of the trailer, age, gender and how often it's driven.

However, policies do not cover the motor vehicle used to tow the camper and premiums tend to increase if it is garaged in a high-risk area.

Motorcycle policies cover property damage or injury to others; medical expenses; and protection against collision, fire, theft, vandalism and glass breakage. There is additional coverage to protect others who are driving the motorcycle. Premiums are based on how often the vehicle is driven and discounts are available for a good driving record.

Inexperienced drivers, people with a poor driving record and owners who live in a high-risk area tend to pay higher premiums.

This is just a brief description of the coverage available to you. We can review your policy or answer any questions you might have to make sure you get the coverage that's perfect for you.



Help your car survive the summer heat

For millions of motorists vacationing by car this summer, an ounce of pre-trip preparation can prevent more than a pound of on-the-road frustration. Summer's high temperatures, heavy cargo loads, and stop-and-go traffic put extra stress on your vehicle. To keep your car in good health, anticipate and address problems before they

happen. By following some simple tips, you can minimize the wear and tear on your car's engine.

Flush and refill the cooling system according to the service manual's recommendations. Have a qualified mechanic check the hoses, clamps and belts. If you have any engine problems such as hard starts, stalling or rough idling, have them corrected. Check the condition of your tires, including the spare. Make sure all lights are working. Replace worn wiper blades and keep plenty of windshield washer fluid on hand.

This is also an opportune time to tune up your auto insurance policy. Maybe all you need are a few minor adjustments or maybe it's time to trade in your old policy for a more economical one. Give us a call. We'll go over your policy with you to ensure you have the coverage you need.

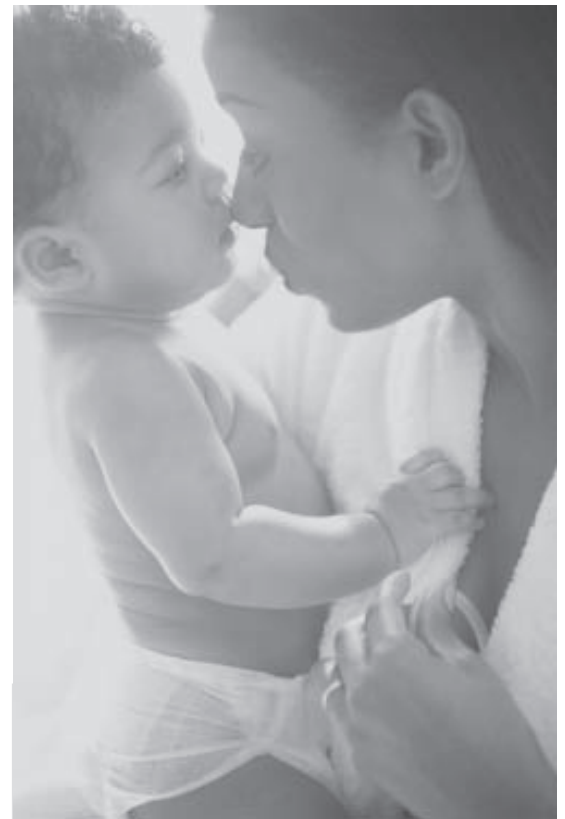
Don't forget about fire safety

According to the National Fire Protection Association, in 2000, there were 368,000 home fires in the United States, resulting in 3,420 deaths, 16,975 injuries and \$5.5 billion in direct property damage.

There are some important tips for minimizing your risk of fire:

- **In the kitchen**—make sure all appliances and tools have a testing agency label; don't overload outlets; don't store items over the stove—people get burned while reaching; and don't wear loose-fitting garments that could catch on fire.
- **In the living room**—allow air space around the TV and stereo to prevent overheating; keep portable heaters away from people, curtains and combustibles.
- **In the bedroom**—buy a smoke detector and install it outside your sleeping area.
- **In the basement and garage**—store gasoline and other flammables in tight metal containers; have heating equipment checked every year; clean up your workbench and keep flammables away from sparks; and don't store items near the furnace or heater.
- **Outdoor safety**—don't burn trash or leaves. If you have an outdoor fireplace, never leave it unattended. Clear away any undergrowth from around your home.
- **In general**—have working smoke detectors, tested monthly, on each level of your home; keep portable fire extinguishers in fire-prone areas; prepare an escape plan of your home showing at least two ways out of each room; agree on a fixed location out-of-doors where family members are to gather; and plan and practice fire drills often—just in case.

It also is important to make sure your home is insured properly before a tragedy. Insurers generally recommend that you insure your home for its full replacement cost, which means it is insured under a homeowners policy for 100 percent of the cost of repairing or rebuilding it at the time that becomes necessary. If you purchase a guaranteed replacement-cost endorsement, the full amount would be received to rebuild regardless of inflation.



Expecting a baby? Wonderful!

When you have a baby on the way, the last thing on your mind is insurance. Cribs, trips to the doctor, baby clothes and names for your new bundle of joy are your immediate priorities. However, before your baby arrives is exactly the right time to make sure you have enough protection for your growing family.

Some things to consider before your child's arrival are to make sure you have included him or her on your health insurance. Also check into life insurance. If you already have a policy, check to make sure its benefit is enough to provide for your family.

As your family grows and changes, we can help you assess your current and future needs. Whether it's updating your life insurance policy or getting additional coverage for the nursery you need to add, call us, we can help.

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Bicycle safety

Every year, more than 60,000 bicyclists are injured and several hundred die in traffic accidents. Hospital emergency rooms treat more than 500,000 bicycle-related injuries. This summer, before you get caught up in daydreams of cycling down cool, shady lanes, be smart and take a moment to think about bicycle safety.



Here are a few guidelines to help make you a safe cyclist.

- Wear a helmet. It's the easiest way to protect yourself. Make sure it meets Snell Memorial Foundation or American National Standards Institute standards.
- Learn the rules of the road and obey all traffic

laws, signals and signs.

- Ride with traffic, not against it.
- Look left, right and left again before entering a road or an intersection.
- Walk your bicycle across busy roads and intersections.
- Use appropriate hand signals to indicate your intentions to other drivers.
- Ride defensively. Many drivers don't look out for bicyclists.
- Never ride a bicycle while listening to headphones.
- Avoid riding at night.
- Check your bicycle for correct fit, properly working parts, and reflectors.

If consistently applied, these guidelines will help make this summer a *safe* cycling season.

So how, you may ask as you take out your bike, oil up the chain and inflate the tires, can I stay safe *and* enjoy the pleasures of the bicycle? For starters, wear a helmet. Head injuries are the most common cause of death in bicycle crashes and frequently result in permanent disability. They account for two-thirds of bicycle-related hospital admissions and one-third of emergency room visits. The helmet is the most effective safety product available to reduce the risk of death and injury while on a bicycle.

According to the National Highway Traffic Safety Administration, "most bicycle crashes involving motor vehicles are due to behavioral errors on the part of the bicyclist and a motorist."

Who let the dogs out?

There are approximately 60 million dogs in the United States, most of which are wonderful pets. Unfortunately dogs sometimes bite and, according to the Centers for Disease Control, the number of dog bites requiring medical attention is on the rise. Because of this, man's best friend is sinking his teeth into your homeowners insurance policy. Dog bites account for approximately one-third of all homeowners insurance liability claims. Seventy percent of these bites occur on the owners' property.

Most insurance companies insure homeowners with dogs. However, if your dog bites someone, it poses an increased risk. As a result, the insurance company may charge a higher premium, exclude the dog from coverage or, in some cases, nonrenew your policy.

Any dog can hurt someone. Even the most calm-tempered, gentle dog may bite when frightened.

If you have a dog or are considering getting one, call us. We will help you determine if your homeowners policy provides you enough coverage—just in case.



It's summer! Time to send the kids to camp

gate the camp's safety plans and health facilities. Make sure the camp has health directors or nurses on staff. Find out how they handle first-aid services, including injuries and illnesses.

Camps usually require your child to be covered by medical insurance. Some camps provide, for a fee, medical or accident

insurance. If you already have insurance, call your provider to make sure your child will be covered at camp. No matter what health insurance you have, review your

policy limits and costs. You should also find out whether the camp has property damage and liability insurance. Check your homeowners policy before you send your child to camp.

Though it should be a place of fun and safety, your child's property may be stolen or damaged, or your child may injure someone or damage either the camp or another camper's property.

Call us. We'll be happy to review your current policy to see what coverage you have and what your liability limits are.