

# Insights & Updates

Information from your professional insurance agent

Winter 2002

## UM and UIM coverages—what's in it for me?



Fact is, uninsured motorists and underinsured motorists coverages are all about you! Benefits under these coverages are paid directly to you and others insured on your policy, such as family and friends. If someone causes an accident that leaves you or other insureds injured, and the person does not have any auto liability insurance (uninsured motorist) or does not have enough to cover all the damages (underinsured motorist), your UM and UIM coverage will fill

this gap up to the limits you have purchased. The limits for UM and UIM are what is available for your compensation, so keep that in mind when you make your choice.

Under a “standard” auto policy in New Jersey, you must be offered UM and UIM limits as high as \$250,000 for one person injured or killed, \$500,000 for all persons injured or killed in an accident, and \$100,000 for all property damaged in an accident; or a combined single limit of \$500,000 per accident. However, these limits cannot exceed the liability limits you select to cover injuries to others and damage to property that you cause with your car. In addition, payments you receive from parties at fault will be deducted from the UIM limits stated in your policy and there is a \$500 deductible for damage to your property.

Here is how it works. If you have a bodily injury UIM limit of \$100,000 and collect \$50,000 from the party(s) at fault, you would receive \$50,000 from your UIM coverage, assuming you had sufficient damages to justify that amount.

Give us a call. We would be happy to review with you the limits you currently have and provide you with options to better protect your family.



## Let us know about the changes in your life

The adage goes: The only sure thing in life is change. Please keep us up-to-date on any change of circumstances in your life that may affect your insurance. Keeping us updated allows us to keep you adequately covered.

Let us know if you:

- recently married;
- retired;
- separated or divorced;
- drive a shorter distance to work;
- added another room to your house;
- quit smoking;
- made an expensive purchase that may need additional coverage; or
- added safety features to your house or car.

As your professional insurance agent, we're looking out for you. Give us a call if any changes have occurred in your life.

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## Getting information at the scene puts you in control

When drivers have auto accidents, they do not always know what to do or they may not think clearly enough to do what they know. Hopefully their claims are not affected if some things get overlooked but all too often, unnecessary problems emerge because inadequate information was gathered at the scene. If you rely on a police officer to record pertinent information, the officer's report may not be available to you for days or weeks.

Simply knowing how to contact the other party in an accident may save you from having to pay your deductible and the expense incurred to temporarily replace your car. If the fault clearly lies with the other driver, you may want to file your claim directly with the other driver's insurance company, even if you have your own coverage to fix your car. This way, you won't have to pay a deductible and the other company will have to compensate you for the loss of use of your car while repairs are being made.

In order to determine whether filing a third-party claim is your best option, your agent must be able to contact the other party or the company that insures the other car. At a minimum, you should get the driver's name, address and phone number (work and home) and the name of his or her



insurance company, policy number and phone number (agent or company). It would also be helpful to get the plate number of the other car and the name and badge number of the police officer who writes the accident report.

Here are some helpful tips:

- Always stop to render aid and seek emergency assistance for persons injured in the accident.
- Take whatever steps are necessary at the scene to prevent further damage or injury.
- Call the local police or other appropriate law enforcement agency.
- Never discuss fault with anyone at the scene, even if you think you are responsible.
- Get the names and addresses of witnesses who saw the accident.
- Consider keeping a disposable camera in the glove box for the purpose of taking pictures at the scene of an accident, including pictures of the damage to the other car.
- Call our office (or a phone number that was provided with your policy) as soon as possible to report the accident.

## Snowmobiling—fun and safe (if you're careful)

The winter season is beautiful with its snow-frosted trees and powder-capped mountains. However, the natural hazards of winter and perils of man's own making stalk us each year.

According to the U.S. Consumer Product Safety Commission, snowmobiling—a safe and exciting sport if the proper precautions are taken—kills an average 110 people each year and lands more than 13,000 in the emergency room. Sadly, the vast majority of each of these deaths are entirely preventable. Below are some guidelines from the International Snowmobile Manufacturers Association to help you avoid becoming a statistic.

**Don't drink.** If it's not a good idea in a car, what makes you think it's safe on a sled? Almost 50 percent of snowmobile fatalities involve alcohol. Liquor doesn't chase away the chill. In fact, in addition to wreaking havoc on your reaction time, alcohol makes you far more susceptible to hypothermia.

**Dress properly.** Speaking of hypothermia, wear layers so you can adapt to changing weather conditions. A wind-proof outer layer, warm gloves, boots and a helmet are essential.

**Buddy-up, buddy.** Riding with a friend isn't just more fun, it's safer. Never snowmobile alone.

### Slow down.

Just because your snowmobile can do 110 mph, it doesn't mean you have to go that fast along winding forest trails. Be aware of low light/visibility conditions, and stay on the trails. Eighty percent of snowmobile-related fatalities occur off-trail.

**Beware the water.** It's difficult to judge by sight alone just how thick the ice is. About one third of all snowmobile deaths are a result of drowning after falling through ice. Your best bet is just to stay off the ice.

Of course, there is another danger associated with snowmobiling that you should avoid—the wrong insurance. Laws governing snowmobiling vary from state to state. Some require insurance and some do not. Some only demand it if you stray from private property. Will your current insurance cover you? Does the required insurance go far enough? Before you break out the sled this winter, give us a call; we'll make sure the coverage you have is the coverage you need.



## Prepare, protect, prevent—tips for driving safely this winter



Winter is upon us. If you're smart, if you're attentive and if you're prepared, there are ways to cheat the statistics during a season in which more people die and are injured each year in traffic accidents.

The National Highway Traffic Safety Administration makes several recommendations for winter highway safety. They've broken their system down into three steps: prepare, protect and prevent.

### **Prepare for the trip.**

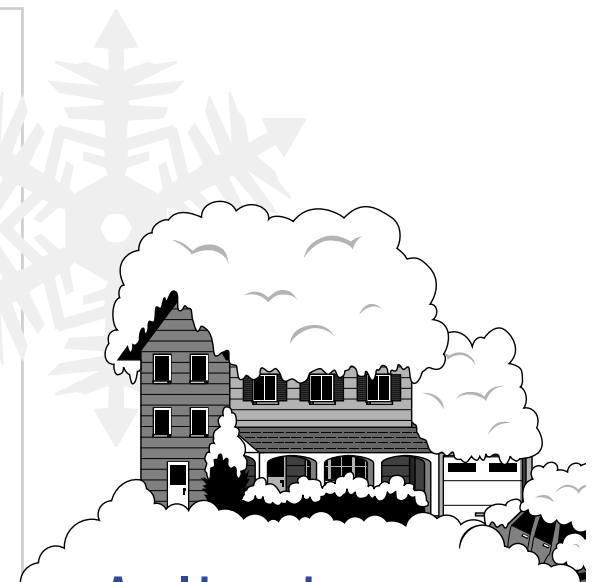
Check your car every winter and maintain it throughout

the season. Make sure your battery is good and holds a charge. Inspect your tires—especially the treads—and consider getting snow tires. Before you go anywhere, make sure all your windows are clear so you can see, and keep your headlights on so other drivers can see you. In case you do break down or get into an accident, there are some items you should keep in the car: flashlight, jumper cables, a shovel, warning devices (flares, etc.), a blanket, an ice scraper and a cell phone.

**Protect yourself.** Wear your seat belt. If your vehicle is equipped with one or more airbags, make sure you and any passengers are sitting at least 10 inches away. Airbags inflate with tremendous force and can break bones if you're not careful. If you're stuck or stalled, stay with your car. Don't overexert yourself. Try to make your vehicle as visible as possible; turn on your dome light and post some sort of bright marker. If you run your engine, make sure your exhaust pipe is clear.

**Prevent crashes.** Drugs and alcohol are a big mistake whatever the weather. Slow down and don't tailgate. In agreeable weather, two seconds between cars is the rule; in winter weather, increase the distance even more. Be especially watchful for pedestrians. You should never drive tired. On long trips, stop every three hours and share the driving to avoid fatigue.

Another way to make sure you're prepared for winter is to check your insurance. For example, will your auto insurance cover things like road-side assistance? Sometimes it will, but frequently it won't. Don't wait until you're stranded on the roadside, trying to dial your cell phone with mittens on to get the lowdown on winter insurance. Call us today about winterizing your policy.



## A cold weather woe

With winter right around the corner, homeowners should be aware of a serious condition known as ice dams.

Most ice dams form because of poor roof insulation. Snow accumulation that melts during the day and refreezes at night can damage walls, ceilings, insulation, siding and soffits. At the eaves, water and ice work up under shingles and eventually can enter the attic. Using good insulation and sealing interior spaces tightly will prevent most ice dams from forming. Allowing outside air to flow up under the roof, through soffits or vents, also keeps the roof cold and prevents the ice from melting.

When you can't prevent the cause of ice dams, preventing the damage they can cause is your only choice. Installing metal ice belts, rubberized sheets, heat tape and other products can help, but are not always successful.

One solution to avoid is shoveling snow or chipping ice off the roof. It is very dangerous and ice dams will re-form everytime it snows if you don't attack the cause of the problem. It's better to call a roofing contractor to discuss preventing ice dams before they occur.

Although most homeowners policies cover damage from ice dams, it's a good idea to check with our agency to be sure you're covered—before it's too late.

## Insurance fraud—Don't be a victim



Insurance fraud can strike just about anyone, and despite popular perceptions, it is not a victimless crime. As the days go by, it is becoming more and more prevalent, and one of the most costly crimes for consumers. Fraud comes in many shapes and forms and as policyholders, we all pay for it in rising premiums.

According to the Coalition Against

Insurance Fraud, there are two types of insurance fraud;—“hard” and “soft.”

**Hard fraud** is usually a deliberate attempt to stage an accident, injury, theft, arson or other type of loss that would be covered under an insurance policy.

**Soft fraud** occurs when a policyholder or claimant overstates a legitimate claim. While there is an actual reason to hand in a claim it is exaggerated.

Insurance companies and state and federal regulators have taken steps to combat this crime. Many major

insurers have created specific entities within their claims department to investigate suspicious claims. In 1992, insurance companies worked together to create the National Insurance Crime Bureau, a not-for-profit organization dedicated to fighting insurance fraud and vehicle theft.

While you can't completely protect yourself from being a victim of insurance

fraud, there are some steps you can take to assure you will be less of a target.

Be sure to protect yourself by following these simple steps.

- Be wary if a car suddenly pulls in front of you forcing you to follow closely. They may be setting you up for a staged accident when they stop with no warning and blame it on something on the road, or another driver who pulled away.
- If a stranger contacts you after any sort of accident and offers you quick cash or recommends a particular medical clinic, attorney or doctor, be wary. They could be part of a fraud ring.
- Never sign blank insurance claim forms.
- Ask for detailed bills for all services and be sure to check them for accuracy.
- Be sure you received all the treatments and services listed on your invoice.
- Watch for double-billed or excessive charges.

If you suspect that you or someone you know is being taken advantage of by a fraudulent insurance scam, or if you know someone who is committing insurance fraud, contact the New Jersey Office of Insurance Fraud at (877) 55-FRAUD or visit its Web site at [www.njinsurancefraud.org](http://www.njinsurancefraud.org).

## Flood damage: Am I covered?

Not necessarily. Normally, a standard home or business policy does not include damage caused by flooding or mudslides. It is important to realize that damage caused by these occurrences can be extremely destructive to your property and could destroy you financially.

Often people assume because they are not located in a high-risk flood zone, they don't need flood insurance. One startling fact is that roughly one-third of the National Flood Insurance

Program's claims come from outside high-risk flood areas. An NFIP policy typically includes coverage for: removing contents; sandbagging; repairs; clearing away debris and mud; compensation for personal belongings and rebuilding.

You should also be aware that lending institutions might require flood insurance as a condition for securing a mortgage, home improvement loan or a home equity loan. Flood insurance is also a prerequisite for receiving federal disaster assistance when property is located in a special hazard area.

Floods are the most frequent and costly natural disasters in terms of personal hardship and financial loss. Plan for a flood. Heed storm warnings. Board up windows and store outside items inside. Prepare an emergency kit that contains food and water, a portable can opener, clothing, blankets, flashlights with extra batteries, first-aid supplies including any medications you may need and a battery operated radio.

Contact our agency. We can help you determine if you need flood insurance.