

Insurance Briefs

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Stay Afloat with Proper Personal Watercraft Insurance

More and more people are deciding to take the plunge and purchase a personal watercraft. There are factors to consider that potential buyers should consider before making such a purchase. A personal watercraft is considered a powerboat and is governed by the same laws and regulations that are provided by the Coast Guard and other marine authorities. If you are planning to own a personal watercraft it's a good idea to understand what you should purchase in terms of insurance. Do not assume the craft is covered by your homeowner's insurance because, in most cases, they are not.

There are different types of coverage that affect different aspects of operation. Most insurance policies cover a combination of these types of coverage:

• Liability Coverage

This will cover any bodily injury caused by you or your watercraft to another individual, boater, or property damage to another watercraft or property. If you choose to allow another person to operate your watercraft they also will be covered. When you choose liability coverage consider the amount of your net worth in the event that you fall victim to a personal lawsuit.



• Medical Coverage

In the event of an injury to you or your passengers, this would help to pay for the cost of necessary medical treatment.

• Physical Damage Coverage

This covers the cost of repairs to the watercraft in the event of an accident. It will also cover you in case of fire, theft or vandalism.

• Water Sports Liability Coverage

If you were towing an individual this would cover any personal injuries they sustain.

• Uninsured Boater

This coverage would pay for medical treatment that results from an accident with another boater who is not insured.

• Unattached Equipment Coverage

This pays to repair or replace equipment that is not permanently attached to your personal watercraft such as life jackets or accessories.

• Emergency Assistance Coverage

This would cover emergency service or towing. If you decide to purchase a personal watercraft it's also a good idea to find out the cost of insurance for different models. Some models will be more expensive than others to insure. It is also possible to receive a 10 to 15% insurance discount from some companies if you take a safety course offered by the Coast Guard or other agency. If you purchase your watercraft insurance from the same company that you have your auto or homeowner's insurance with you may receive additional savings. Don't take chances; protect yourself with the proper type of coverage for your watercraft.

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Do You Know How to Handle a Vehicle Accident?

According to The National Highway Transportation Safety Administration, there are more than six million U.S. motor vehicle crashes per year reported in the United States. Most of us don't like to think about what if, especially when it comes to vehicle accidents. However, the odds say that you'll most likely find yourself involved in a vehicle accident at some point in your life. Do you know how to handle a vehicle accident?

There will be an initial shock. Once you've realized what has happened and checked yourself for injury, you should attempt to exit your vehicle. You might need to use a window if your door has been damaged. As you find your way out of the vehicle, make sure to pay attention to the oncoming traffic and stay clear of it.

If your vehicle is still drivable, then move it to a public location. From there, you'll be able to safely exit the vehicle and report the accident. Moving the vehicle is usually a good idea if there's an immediate danger like being hit again on a busy interstate. Do keep in mind that some states require you to stay on the scene.

You should dial 911 to report the accident. The dispatcher will automatically know your location if you're calling from a land-line. You'll need to know your location when using a cellular phone since it's a more difficult and lengthy process for an emergency dispatcher to determine your location through a cellular phone.

In the event that your vehicle ends up in water, staying calm is a must. You won't be able to open the door due to the pressure from the water if the vehicle submerges. Calmly take a deep breath and roll down the window to escape. If the electric windows won't work, then you should break the window by hitting it with an object or kicking it.

As far as insurance goes, most insurance carriers recommend the following universal steps be taken following an accident:

- Take note of how many passengers are in each of the other vehicles involved in the accident, as this will help prevent the future addition of passengers during insurance scams.
- Collect the full name, insurance information, and home address of all other drivers involved in the accident.

You should also provide your information to the other driver(s).

- Write a brief summary of the accident, recording as many details as possible—the make, model and year of the vehicles involved; the time of accident; and weather conditions.



- Collect the names and contact information of any witnesses, especially if you feel something or someone other than yourself caused the accident.
- While it's okay to express concern over what happened at the scene, you should never admit that the accident was your fault or claim liability.
- Have your insurance information, driver's license, and vehicle registration available for the police. Once the police are on scene, the officer will collect your information. The officer will ask all the drivers what happened and record the account(s).
- Make sure that you ask the officer for the police report so that you can give it to your insurance carrier.
- You should contact your insurance agent or carrier as soon as possible. Most major insurance companies have a 24-hour phone number for claim reports.

How Uninsured Drivers Affect Responsible Drivers

Most Americans are surprised to learn that, nationally, approximately 1 in 6 drivers on the road are uninsured. This information comes from a recent study by the Insurance Research Council. The study further shows that in some states, as many as one in three drivers are uninsured or underinsured, and that there is a solid correlation between unemployment and lack of insurance. Furthermore, statistics show that nearly one out of every two accidents involves an uninsured or inadequately insured driver.

How Can You Protect Yourself from the Costs of an Uninsured Motorist?

You should ensure that your auto insurance policy includes both uninsured motorist (UM) and underinsured motorist (UIM) coverage. As a rule, the limits on these policies should be as high as your policy's property damage and bodily injury limits.

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Will Your Insurance Cover That Water Spot on Your Ceiling?

Most people who buy homeowner's insurance tend to think about protecting themselves from financial loss should the house burn down. A much more common cause of damage to homes, though, is water. Leaky roofs, broken pipes, and blocked drains can produce a mess that is expensive and difficult to clean up and repair. However, insurance coverage for these losses is not always certain.

The standard homeowner's policy may cover rain damage, depending on how rain enters the home. If a storm damages the roof or a window and allows rainwater to enter, the policy should cover the cost of repairing the damage. However, if the roof has no apparent damage but instead has suffered normal wear and tear, the policy will not cover the loss.

The policy will normally cover damage caused by water leaking from pipes, with some restrictions. If a pipe breaks and floods a few rooms, the policy will cover the cost of repairs to the rooms but not the cost of replacing the pipe. However, the policy will not cover the damage caused by a burst frozen pipe unless the homeowner has used reasonable care to either maintain heat in the building or shut off the water supply and drain the pipes and appliances of water. People who leave for warmer climates during the winter must make sure these steps are taken.

One lesson that many people learn the hard way is that homeowner's policies do not cover damages caused by flooding. The standard policy does not pay for damage caused by floods; water on the surface of the ground; waves; tides; overflows of bodies of water; or water spray whether the wind drives it or not. It also will not pay for damage caused by water or floating debris that backs up into the home through sewers or drains or which overflows or discharges from a sump or sump pump. Finally,



it will not cover damage to structures such as driveways, sidewalks or foundations from water pressure under the ground. A flood insurance policy from the National Flood Insurance Program may cover some of these types of losses. Also, many insurance companies may offer a small amount of coverage for damage resulting from sewer, drain or sump backup for an additional premium.

When a water loss occurs, it is very important to stop the water flow and begin the drying process as soon as possible. Broken windows and holes in roofs should be boarded up and water shut off to broken pipes. If the water is allowed to accumulate, mold and mildew may grow in the area. The longer the affected area remains wet, the longer and more expensive the repairs will be.

A good restoration contractor can help contain the damage and speed up the repairs. He can perform emergency work, such as removing carpets, installing fans and dehumidifiers, and vacuuming up the water. He will also protect furniture by setting it on blocks so that the legs are above the water. Because the wet carpet pad may produce a foul odor, the contractor will remove and dispose of it and replace it with a new one. This may save the carpet, thus holding down the total repair cost.

Homeowners who suffer water-related losses should work closely with their insurance agents and companies. Cooperation with the company may result in a fairer settlement; the agent can be the homeowner's advocate with the company. Most importantly, the homeowner should act quickly to limit the damage and protect undamaged property. More than anything else, this will reduce the cost and inconvenience of the loss.

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When someone without insurance causes an accident that involves your car, or if your car was damaged by a hit-and-run driver, UM coverage would pay for the resulting claims. On the other hand, UIM insurance provides coverage when someone else causes an accident, but does not have enough insurance to adequately cover all of your costs.

You also need to consider how much your life would change, if you were hit by an irresponsible driver. How would you make your car and mortgage payments, and pay your other expenses if you were permanently injured? UM and UIM coverages bear the cost of lost wages if you are unable to work after an injury. If you do not have these coverages and are hit by an uninsured motorist, the only other option is to pursue the driver in small claims or civil court. This often proves to

be a difficult and expensive option. Thus, the benefits of this coverage can be substantial compared to the relatively low expense.

What Should You Do if You Are Hit by an Uninsured or Underinsured Motorist?

If the driver has insurance, copy down the other driver's insurance and contact information. Whether they have a policy or not, get the driver's name, address, and phone number. Furthermore, you should always write down the license plate number and call the police, even if the accident appears to be minor. A police report is always valuable in determining who was at fault.

Most Homeowners Planning Large Parties Don't Have Enough Insurance Coverage

If your Super Bowl Sunday plans include throwing a party, you'd better be sure you have adequate insurance in the event of an injury claim by one of your guests. This advice stems from a new study sponsored by Trusted Choice, the independent agent's branding campaign launched by the Alexandria, Virginia-based Independent Insurance Agents & Brokers of America.

The study was conducted by TRC, an independent research company in Fort Washington, Pennsylvania. The researchers polled 1,009 adults in a telephone survey about their plans for a social gathering. Their research revealed that of 28.5 million Americans who plan to have parties in their home, 21 million do not have a personal umbrella insurance policy, making them vulnerable to lawsuits, which could result in financial ruin. The remaining seven million didn't know what coverage they currently carried.

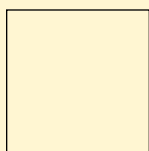
The importance of proper coverage cannot be underestimated because in 30 states, hosts can be held legally responsible for guests who drink, drive and cause an accident. Interestingly enough, 53 percent of those surveyed said the host should be held responsible; however, most of those who responded in this manner have not taken any steps to protect themselves. The researchers concluded that people don't buy umbrella policies because they think enough coverage is offered by their homeowner and auto policies. Nothing could be further from the

truth. Large jury awards coupled with substantial health care costs make it commonplace for lawsuits to exceed the liability limits on the average homeowner/auto policy.

The researchers made the following recommendations to prevent holiday party accidents and to protect homeowners from becoming victimized:

- Discuss your insurance coverage with your agent before hosting a party to familiarize yourself with your state's host liability laws, and to make sure you are properly insured.
- Limit invited guests to people you know.
- Host the party at a restaurant or bar that has a liquor license, rather than in a home or office.
- Be sure that you provide filling food for guests and alternative nonalcoholic beverages.
- Schedule entertainment or activities that draw partygoers away from drinking.
- Arrange transportation or overnight accommodations for those who should not drive.
- Stop serving alcohol at least one hour before the party is scheduled to end.
- Do not serve guests who are visibly intoxicated.
- Consider hiring an off-duty police officer to discreetly monitor guests' sobriety or handle any alcohol-related problems as guests leave.

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