



Greetings and Happy New Year! I hope your holidays went well. Before I get into the topics of this 61st issue of this newsletter, I want to share something of a personal nature because it impacts the way we do business together both now and in the foreseeable future.

I have Parkinson's Disease. Many of you know that. Some of you do not. I've had the symptoms about eight years—tremors, stiffness, difficulty with fine motor skills. Risk management is my business. It is my desire to manage the Parkinson's risk the best I can so that I'm able to continue to assist you in the ways that you have come to expect for hopefully a long time to come. To accomplish that objective, I've made several changes. First, I have reduced my hours. I have hired additional help in the person of Carol Bechay to handle all the insurance agent responsibilities having to deal with placing new policies or managing existing policies. I've invested in automation assistance, including voice recognition software for correspondence and email. In short, I'm applying all the principles I have learned about managing risk to managing this disease.

So far, I think the effort is successful. I'm able to continue to provide every bit of value added expertise and guidance to my clients that I could provide before. The major difference now is that the follow-up and implementation of my recommendations is no longer done by me. The only change you should notice is some drop off in my immediate accessibility. However, I am returning every phone call within 24 hours. And don't forget, you can always email me at jhungelmann@corporate4.net.

My biggest concern in sharing this with you is that you will not call me when you would like my help or expertise because you "don't want to bother me." I sincerely hope you don't do that. We would both be losers. You would lose the expertise that you seek, and I would lose out on the satisfaction of helping make a difference in your life. Trust me when I say that making a difference in the lives of others is the best therapy for what I'm dealing with.

**YOUR CURRENT 2005
SERVICE TEAM:**

- Jack for any kind of help designing insurance coverage, risk management, contract reviews, or claims help or intervention – direct telephone/voicemail number 952/896-9534 or e-mail jhungelmann@corporate4.net.
- Insurance agent Carol Bechay for help with quotes, placing insurance, resolving problems with your personal and business policies that customer service is not able to help you with, and customer service for all group and individual life and health policies. Virtually all functions that would be the traditional role of the insurance agent. Her title is Account Manager. She is knowledgeable, reliable, and a real pleasure to work with. You can reach her directly at 952/896-9536 or at cbechay@corporate4.net.
- Corporate 4 Customer Service Team:
 - Business insurance – Shaun Kuffel – 952/896-9538 or skuffel@corporate4.net
 - Personal insurance – Best reachable by calling 952-893-9218 and asking for Personal Lines Customer Service

Call customer service for reporting changes to your policies, assistance with billing problems, filing claims, checking on the status of things, certificates of insurance, automobile I.D. cards. In short, everything relating to the service of your personal or business property or liability insurance policies.

“I’M PURCHASING A VEHICLE FOR MY 19-YEAR-OLD SON. WHO SHOULD BE THE OWNER?”

If you are the owner, you are more apt to be sued in a car accident caused by your child than you would be if your child was the owner. Owners are responsible for the maintenance of the vehicle (brakes, steering, tires, etc.). However, the insurance costs with you as the owner are about 20% to 25% less. If your child is the owner, it gets pricier, but your personal assets are better protected.

MY RISK MANAGEMENT ADVICE

If your young driver will be living at home or is a student away from home but maintaining your residence as a permanent address, title the car in your name. Add the car to your insurance policy and, very important, keep exactly the same liability coverage limits on every car. Strongly consider purchasing an umbrella liability policy of an extra \$1 million or more if you don't already have one.

If your young driver no longer lives at home, title and insure the vehicle in her name. That way, you won't get dragged into lawsuits for injuries she causes just because the tires, brakes, steering, etc. are not perfectly maintained.

It is a good idea that your child changes the address on their driver's license to their new location to further reduce the chance of your getting dragged into one of their accidents.

WHAT IF MY INSURANCE COMPANY WON'T INSURE MY 19-YEAR-OLD SON BECAUSE OF ONE AT-FAULT ACCIDENT AND TWO SPEEDING TICKETS?

Because drivers with these higher risk driving records have a much greater chance of causing an auto accident, whether your young driver lives at home or away, I strongly recommend that you title a car in their name and have them arrange their own insurance. If your child owns the car and decides to buy less liability coverage (\$100,000) and you have (\$500,000), call Corporate 4 Customer Service right away at 952/893-9218 and request that they add to your auto policy an "Extended Non-Owned" coverage. Be sure to name all drivers in the household or they won't be covered. The annual estimated cost is only about \$10 a year. Then, if you or other family members borrow your son's car and have an accident, they will not only have the \$100,000 of your son's policy but also the full \$500,000 coverage of your policy.

IN FACT, IF YOU HAVE ACCESS TO ANY NON-OWNED VEHICLE...

Even if you use that vehicle occasionally, add the extended non-owned endorsement. It covers you driving an employer vehicle or a neighbor's vehicle. It even covers you driving the 1980 Pontiac Bonneville in mint condition owned by the 79-year-old sweet little old lady down at the end of the block who you very kindly drive shopping, to her doctor appointment, or to the race track.

NEW CONTRIBUTION LIMITS FOR QUALIFIED RETIREMENT PLANS

Plan Type	2004		2005	
	To age 50	Age 50+	To age 50	Age 50+
401(k), 403(b)	\$13,000	\$16,000	\$14,000	\$18,000
SIMPLE	\$9,000	\$10,500	\$10,000	\$12,000
IRAs	\$3000	\$3500	\$4000	\$4500

FOR THOSE WITH BLUE CROSS HSAs – GOOD NEWS

One of the early frustrations for those with HSAs has been the confusion around how much of the deductible has been incurred year to date, how much money they currently have in their Health Savings Account, and a record of how that money has been spent. Fret no more! You can now access all of the above and much more by going to Blue Cross's web site www.BlueCrossmn.com and set up your account called My Blue Cross. I tested it and found the setting up process complicated because of the need to protect your information. But once I got in, everything I needed to know was right at my fingertips. You can even check on the status of pending claims. Thanks to the people of Blue Cross who recognized that there was a service problem and corrected it.

TWO HEALTH SAVINGS ACCOUNT REMINDERS

First, make your 2005 HSA contribution for the full amount of your deductible, plus \$500 for those over age 55, so that you have dollars available if you need medical care. Second, don't forget to write off on your 2004 taxes all your HSA contributions made in 2004.

A WARNING FOR THOSE WITH PROGRESSIVE CAR INSURANCE

Progressive typically has some fairly competitive auto insurance pricing. However, it has just recently come to my attention that Progressive does at least three things differently that most other insurance companies do not do. They do not cover judgments, in states that permit them, for punitive damages. These are substantial additional awards for injuries you cause through excessive negligence (i.e. killing or seriously injuring someone as a result of your drunk driving). Although Minnesota does not, by law, allow punitive damages, several states do. If you have a Progressive policy and you're traveling in one of those states, you will not have coverage for those damages.

Progressive also does not cover using your vehicle for any kind of product delivery including deliveries of food, magazines, newspapers, flowers, pizza, etc. Most other companies cover all those things. They just don't cover hauling people for a fee.

Finally, Progressive surcharges your auto insurance rates significantly if you have an accident where you are only 20% or more at fault. If somebody blows a stop sign and the accident is primarily their fault, your rates will go up 30% or 40% for three years if you get assessed even 20% of the blame! That is completely different than the rest of the industry who only raises rates for at-fault accidents where you are 50% or more at fault.

If you have Progressive and you either don't like these provisions or do in fact deliver products with your car, call Carol Bechay right away at 952/896-9536 and look into moving your insurance to another company without these restrictions.

(Source: International Risk Management Institute)

CAUTION: RESPONDING TO HARLEYSVILLE's UMBRELLA RENEWAL QUESTIONNAIRE

Harleysville is sending out Umbrella renewal questionnaires directly to you, the customer, instead of to the agent as most other companies do. The Umbrella is a pretty important policy. Misunderstanding a question and answering it incorrectly could cause you some problems either with coverage or pricing later. Our advice is to complete the questionnaire as best you can and then either mail it to Carol Bechay at Corporate 4 or fax it to her at 952/893-9402. She can review your responses and then send it on to the insurance company.

MY ENCLOSED NEWSLETTER INDEX

As I have for years, this January issue includes an index of topics covered in all previous issues. I suggest you skim through it, and if you see any topic that's pertinent to you and would like more information, call us. If you are a collector and have saved most of those old newsletters, you can dig out the issue yourself and find the topic. (I'm very curious as to whether any of you happen to have the full set that began in the mid-1980s from No. 1. If you are the first person to bring the 60 issues with you to our office, we'll award you a nice dinner for two at Kincaid's Restaurant. If you have 59 of the 60 issues, don't fret. We will award you a nice second prize of a full value meal at Ronald McDonald's.)

NEWSLETTERS NOW AVAILABLE ONLINE

To access the Index and Newsletters since January of 2002, go to www.jackhungelmann.com/newsletter.htm.

**UNDERSTANDING
WHAT'S INCLUDED IN
MY PERSONAL RISK
MANAGEMENT
SERVICE: MY 16
COMMITMENTS**

Beginning in 2004, I began writing a series of articles for the insurance industry on the subject of personal risk management which are published on the website of the International Risk Management Institute. The first column I wrote for this website, called "Personal Risk Management: An Overview," is the best thing I've ever written on the subject. I explain to other agents across the country the 16 things that I do above and beyond that make up what I call risk management. The web address is www.irmi.com/expert/articles/2004/hungelmann03.aspx. Read this article and you'll be clearer than ever on exactly what value you receive in exchange for my annual risk management fee.

**ANSWERING A
FREQUENTLY ASKED
QUESTION ABOUT
THE FEE:**

**"Why do I pay the fee
in a year when I have
seldom talked to you?"**

Think of my risk management services like an insurance policy. There is an annual premium (the fee) in exchange for a package of services you will receive when you need them. Every year, you pay for your Homeowners insurance policy, but most years you have very little need for the benefits. Nonetheless, you pay a premium. That premium supports and makes it possible to build the framework of people, space and claims adjusters needed to be able to deliver the services and the cash you need when a claim happens. The same is true for my risk management service. Every year, your fee and the fees of others like you, make it possible for me to build and maintain the framework that I need to have in place to deliver the value-added expertise and related benefits to you. Even in the years we have very little contact, you will always receive at least three of the best newsletters in the insurance industry personally written on topics that are pertinent to you specifically. You will receive all my expertise indirectly every time you talk to Carol Bechay who consults with me on every problem. Plus, you will have funded the framework so that next year when you have a major claim dispute or you get involved in a complex household move or you lose your group insurance benefits and you're uninsurable, I can be there with all the resources I need to help you get your problem solved in the most effective way possible. I can easily spend six hours or eight hours resolving your problem with no added charge to you.

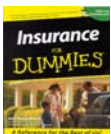
My risk management fee—probably the most important "premium" that you pay—is only available here.

My tardiness in sending you this January newsletter is the results of some significant upgrades to automation equipment to handle the voice recognition software I need to respond to your e-mail and to continue writing. That took quite awhile to install plus complete the two months learning curve.

In spite of the Parkinson's, with the wonderful assistance of Carol Bechay and Corporate 4 staff, I'm enjoying my work more than I ever have. Any time you can say that about a job you've had 33 years, that's something!

All the best,

Jack Hungelmann



Insurance For Dummies authored by Jack Hungelmann. Buy it online at www.dummies.com or www.amazon.com.