

Greetings and Happy New Year! I hope that you had a wonderful holiday season with friends and family!

January means winter. In this newsletter, I address risks that are unique to winter, whether you are staying or fleeing!

**A SNOWMOBILE
INSURANCE REMINDER**

Liability for injuries you cause operating your own snowmobile are not covered by either the off-the-shelf automobile or homeowners policy. Owned snowmobiles are covered only when operated on your land. You can optionally buy a snowmobile liability endorsement on your homeowners policy, that covers you anywhere you operate your snowmobile, to solve this problem.

**WHAT ABOUT THEFT AND
COLLISION COVERAGE?**

You can easily schedule your snowmobile(s) for physical damage coverage, again on your homeowners policy, for an additional premium. The deductible is usually less than your homeowners deductible – typically \$250-\$500 per claim.

**FOR THOSE WHO
BORROW OR RENT
SNOWMOBILES**

You're in luck. Homeowners policies do extend liability coverage to non-owned snowmobiles for no extra charge. However, you won't have any physical damage coverage on the snowmobile itself. So, if you're renting, buy the optional collision coverage if available.

**DOES AN UMBRELLA
POLICY COVER
SNOWMOBILE LIABILITY?**

Yes, they typically will cover your liability operating an owned snowmobile, as long as you have primary snowmobile liability coverage of at least \$300,000-\$500,000. As for rented snowmobiles, about half the umbrella policies out there will provide coverage because your homeowners policy does provide coverage automatically. However, the majority of umbrella policies will not cover your responsibility for damage to rented snowmobiles.

**WARNING TO THOSE
WHO PLAN ON RENTING
SNOWMOBILES THIS
WINTER**

Be sure to check with Carol Bechay or me to make sure your umbrella covers at least your liability for injuries and property damage to others. If it doesn't, we may need to change you to a different umbrella company.

**WINTER ICE DAMS –
WHAT'S COVERED AND
WHAT'S NOT?**

First, what's not covered by homeowners insurance is the cost to remove the snow from the roof or the cost to structurally prevent the loss, such as adding better insulation or ventilation. What is covered is the resulting water damage to walls and ceilings caused by the melting water backup. All subject to your deductible, of course.

FOR MORE INFORMATION

The University of Minnesota has an excellent website on ice dams – what causes them, what to do about them, and how to prevent them long-term. Go to www.extension.UMN.edu and enter "ice dams" in the search engine.

VACATION TIMESHARES – STORYTIME Sandy and Bill own two weeks, in January, in a beachfront condominium timeshare complex in Hawaii. The Association insures the complex for damage from fire, storms and most other kinds of loss. The Association also has a liability policy protecting them, and all members, for lawsuits for injuries at the complex, with one exception. The master policy liability coverage doesn't cover unit owners for their personal liability for injuries they cause during their two-week stay. Will their homeowners policy liability coverage extend to this type of lawsuit?

IS THE OWNERSHIP DEEDED OR UNDEEDED? If deeded (usually the case), homeowners policies will not extend liability coverage to another residence you own. However, there's a low cost endorsement you can add to the policy that will cover this risk, if your timeshare is in the United States. About \$20 a year. Undeeded timeshares don't specify the unit number specifically. And the specific unit occupied two weeks in January may change from year to year. Undeeded timeshares are covered automatically for liability by homeowners policies.

VACATION HOME RENTALS – SEND ME THE CONTRACT BEFORE YOU SIGN Sometimes vacation rental companies try to include not only agreements not to sue the owner or leasing agent for your own injuries, but they go one step further, requiring you to defend and pay any judgment against them if a guest of yours gets injured and sues them (i.e., the deck collapses).

IF YOU SIGN THIS, YOU HAVE TWO PROBLEMS First, it's not reasonable that you would be responsible for injuries that are clearly a condition of the premises. Second, you may not have any liability coverage that will do what the contract requires. This kind of liability assumption is called "contractual liability". Where do you find coverage for someone else's liability that you have assumed under contract? Some umbrella policies include contractual liability coverage automatically, even if your homeowners policy does not include that coverage.

A VACATION RENTAL CAR INSURANCE REMINDER When renting a car in the United States or Canada, remember that your liability coverage, under any Minnesota auto policy, covers damage to rental cars with no deductible. If you don't have a Minnesota auto policy, but have collision coverage on at least one of your cars, the collision coverage will transfer to a rental car but will be subject to your collision coverage deductible.

As is traditional with the January newsletter, I'm enclosing an index of all topics I've covered, since 1985, that are still relevant today. I encourage you to read through the index and use it as a checklist of risks that you now have in your life that need special attention. Perhaps you're about to get a company car? Or perhaps your college age son isn't taking one of your cars to college but will have access to his roommate's car? Perhaps you're thinking of hiring a nanny? Or transferring ownership of your home to a trust?

Remember, open enrollment for the second year of Obamacare ends February 15.

All the best!

Jack Hungelmann



Insurance for Dummies second edition, authored by Jack Hungelmann. Buy it online at www.dummies.com or www.amazon.com.

