

Greetings! It is often said about Minnesota that we have two seasons—winter and road construction! Never has that been more true than this year as we are ending nearly six months of winter, starting with the first snowfall in October and ending (I hope!) with the last snowfall last week. Positively, our winters do help control the population by discouraging relocators from coming here.

Here are some things you need to know to help you manage the risks in your life. With spring rains and spring flooding, I devote a large chunk of this issue to managing the risks of interior damage caused by ground water because such damage is universally excluded under Homeowners insurance.

**WHAT THE
HOMEOWNERS
POLICY DOESN'T
COVER**

Damage from water entering at or below the surface of the ground. Such as sewer water that backs up into your home, usually through the basement floor drain. Water that seeps through your foundation from heavy rains. Water from flood. The bottom line is that if it comes in at or below ground level, the damage is not covered.

**HOW YOU CAN
PROTECT
YOURSELF**

– **STEP ONE**

First, reduce the risk as much as possible. If you don't have a sump pump, have one installed. It is considerably less expensive than you would expect. In the state of Minnesota, I highly recommend Standard Water Control (800-978-7867 or on the web at www.standardwater.com). Both Carol Bechay and I used to get water in our basements almost every time it rained an inch or more. After Standard Water installed their system, neither of us ever had another drop of water! (In fact, they offer a lifetime transferable warranty against ever getting water again.)

If you live anywhere else in the nation, find a reputable contractor "certified" by the National Association of Waterproofing and Structural Repair Contractors (800-245-6292 or at www.nawsrc.org). Search for a contractor in your area. "Certified" contractors are best because they have undergone extensive additional training.

– **STEP TWO**

Estimate the amount of damage you could incur if your sump pump fails (i.e., if the power blows in a storm, making your pump inoperable) or if the sewer backs up. Buy an optional Homeowners policy endorsement called "Sump Pump Failure and Sewer Backup" that will cover that damage. Buy coverage for the lesser of that estimated amount or the maximum limit the insurer offers.

– **STEP THREE**

Consider Federal flood insurance. If the amount of water or rain that could enter your home would overwhelm your sump pump, or if a sump pump is not feasible for you, flood insurance might be for you. Premiums are reasonable, starting around \$100 a year. And a “flood” is not limited to rivers overflowing or dams breaking. You are covered for water damage claims even from simple rainstorms if either you and an adjoining neighbor get flooded or just you if you have two or more acres.

To find out whether your risk of a flood is low, moderate, or high, go to the Federal flood site www.floodsmart.gov. Input your address, and it will tell you your risk level and also give you some estimated premiums for various levels of coverage.

Warning: Flood insurance has a 30-day waiting period after it is purchased before a flood will be covered, so be sure to buy it well before you start filling the sandbags! Also, the flood policy won’t cover personal property in a basement or area where all four walls are below ground. So don’t buy a flood policy if that property is your only flood concern.

If you would like to review your risks for ground water damage and get my help to develop a plan, call me personally at 952-896-9534.

AN ALTERNATE STRATEGY TO PROTECT AGAINST YOUR SUMP PUMP FAILING -- A FULL BACKUP SYSTEM!

There are three reasons why your sump pump can fail:

- 1) A storm causes a loss of power to your system.
- 2) The sump pump can’t handle the amount of water from a “hundred year torrential rain” (which we seem to get every two or three years these days).
- 3) The discharge system isn’t large enough to handle the volume of water being expelled.

If you do buy a battery backup for your sump pump, there are two other potential problems:

- 1) The battery fails or, over time, simply didn’t hold the charge.
- 2) The battery fails because it was low on water.

An excellent solution from Standard Water Control in Minnesota is a full backup system with three component parts—(1) a rechargeable backup battery that has a built-in alarm to remind you that fluid levels are low, (2) a backup sump pump that can pump out as much or more volume of water than your original sump pump, and (3) an extra discharge hose.

To see the manufacturer’s website, go to www.proseriespumps.com and find the Model 2400 sump pump backup system. [FYI – this is the system I had installed at our new townhouse. I sleep a lot better when it rains hard!]

WHAT’S THE COST?

The fully installed cost of parts and labor from Standard Water Control is \$1,200 to \$1,300. This is for an entire four-component backup system, as opposed to just a backup battery system, which typically runs \$600 to \$700 by itself. If you do decide to buy this backup system as a way of risk managing the risk of your sump pump failing for whatever reason, I think it’s safe for you to reduce your sump pump failure/sewer backup coverage to whatever amount of coverage you need for possible sewer backups.

IF YOU LIVE OUT OF THE STATE OF MINNESOTA

You're going to need to find another installer instead of Standard Water Control. Go to www.proseriespumps.com and find the 2400 series. You can look up an installer in your geographic area. You can also call them at 1-800-991-0466 and hit option 5, or email them at Mail@Glentronics.com.

DENTAL INSURANCE FOR SENIORS

Many of you have asked me about the availability of dental insurance. Well, this is your lucky day! If you currently have a Blue Cross Senior Gold Medicare supplement policy through us, you now can add dental coverage, serviced by Delta Dental of Minnesota. There is a 90-day open enrollment period from May 1 through July 31, 2008 with effective dates from June 1 to August 1, 2008. If you don't enroll during that time frame, you may also enroll annually between November 15 and December 31. The coverage is quite comprehensive and initial premium is only \$35.20 per month. You will be receiving a mailing from Blue Cross shortly that contains everything that you need to apply for coverage, including the application. If you have questions or need any help applying, call Carol Bechay in my office at 952-896-9536.

ANOTHER REMINDER TO RAISE YOUR CAR RENTAL COVERAGE TO AT LEAST \$30 PER DAY!

If you've taken my advice, you will have coverage in your policy for the cost of renting a car while yours is in the shop because of a covered claim. For several years now, I have been recommending coverage of at least \$30 per day, but I continue to see older policies that still have \$20 per day coverage. Check your policy please. If you're still at \$20 per day or for some reason you don't have car-rental coverage a.k.a. loss of use coverage, call our Customer Service department at 952-893-9218 and have this coverage amended or added.

WESTERN NATIONAL ANNOUNCES A NEW ANNUAL AUTO POLICY

With an annual auto policy discount of five percent. The only catch is that the only payment plans must be automatic electronic monthly payments or electronic full-pay annual payments. If you currently have Western National auto insurance, you can change your policy from six months to annual and get the five percent discount by simply calling our office at 952-893-9218 and ask for Customer Service. You can make the change to annual on your next policy renewal date.

MEDJET STRIKES A DEAL WITH AARP

The medical evacuation insurance that I've been recommending for years including recommending it in my book, *Insurance for Dummies*, is Medjet. Apparently, the American Association for Retired Persons (AARP) agrees with my recommendation. Now those people who belong to AARP can get an additional discount on the pricing. If you already have MedjetAssist and also belong to AARP, contact Medjet directly at www.medjetassist.com or 1-800-527-7478 (1-800-5-ASSIST).

SAFECO NOW OFFERS ID THEFT RECOVERY INSURANCE

Safeco now offers customers full identity recovery insurance that I strongly recommend as opposed to identity theft insurance, because the former not only reimburses expenses but pays for an advisor to help you through the process. The cost is \$12 a year for \$25,000 of coverage. For that, you get a case manager to assist you, which reduces by about 80% the hardship of having your identity stolen and getting it recovered. If you have Safeco Homeowner's insurance, call Customer Service to add this.

**DO YOU HAVE
COVERAGE IF YOUR
TEETH GET
STOLEN?**

Proving once again that truth is usually stranger than fiction! Mortimer Snerd (fictitious name), a client of agent Bob Leitschuh in our office, called Bob wondering if his Homeowner's policy covered the theft of his teeth! The first question I have is who in their right mind would steal someone else's teeth! And if they weren't stolen, how does one lose a set of teeth? Of course if there were coverage, the big question is would the policy pay to replace the teeth new or would the policy simply buy someone else's used teeth for poor Mr. Snerd? (Properly sterilized of course!)

**PROGRESSIVE
ANNOUNCES NEW
CAR INSURANCE
BENEFIT FOR
"FURRY FRIENDS"
(TONGUE- IN-
CHEEK)**

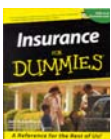
One of the major financial risks that those of you who like to transport your dog or cat in your car have faced is the cost of your pet's medical bills if they're injured in a car accident. Until now, no insurance company has had the guts to take on this risk and offer coverage to consumers. Great news! Progressive Insurance Company has busted through this barrier and is now offering new PIC coverage (Pet Injury Coverage)—covering up to \$500 for veterinary and mortality costs. Best of all, there's no additional charge for this new coverage. It's automatically included with Collision coverage on one or more of your vehicles. On behalf of pet owners everywhere, I thank the executives at Progressive for their wisdom and courage in finally offering this vital coverage! (Harleysville just jumped on this band wagon. The same \$500 coverage per animal, but no collision coverage requirement.)

A good personal risk management program requires several things to be effective. An agent with expertise in insurance coverages and exclusions, and in risk management strategies. An agent with expertise in every kind of personal insurance. A well-balanced insurance program that covers all the major loss areas equally well. Regular reviews of coverages and strategies as risks and circumstances change. A regular personally written newsletter that alerts clients as to new developments in coverages and state laws that affect them, and recommendations on how to respond to each of those. Finally, it requires a group of clients that understand the importance of this approach to the preservation of their assets and income and understand the need to pay something extra (i.e. an annual risk management fee) to make it possible for these services to be available. I've had this vision of a different kind of insurance agent for a very long time. None of this would be possible without your financial support. Thank you for that.

If you have not visited my website, I invite you to do so now at www.JackHungelmann.com. There you will find links to many articles I've written, access to the last five years of newsletters, a test drive of my services, and a biosketch of my background.

All the best.

Jack Hungelmann



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