

Greetings. I hope you are enjoying our beautiful spring here as much as I am. The crabapple trees and lilacs are just finishing another spectacular bloom in my neighborhood. Like our fall colors, their display is always breathtakingly beautiful but far too short-lived. Always a spiritual experience. And always a reminder to live more fully in each moment.

I have more topics to cover in this newsletter than I have had in a long time, so let's get started. Here are the most important developments I think you need to know to help you manage the risks of your life.

**PLANNING ON ANY
EXTENDED TRAVEL
THIS SUMMER?**

Remember to protect yourself against the one major medical expense risk not covered by health insurance -- namely the cost of an airlifted medical evacuation. Your best protection is good medical evacuation insurance—the kind where you get to choose whether or not you get to be evacuated. My recommendation again, as always, is Medjet. For a per-trip or annual policy, contact them at 1-800-527-7478 or online at www.medjetassistance.com. (Thanks to Ivey for the reminder.)

**LONG-TERM CARE
BREAKTHROUGH!**

Minnesota is on the verge of introducing legislation that will dramatically improve the importance of having individual long-term care insurance in your portfolio. Currently, to be eligible for government-paid care through Medicaid, you must spend down nearly all your assets first. The new law as proposed will allow you to exempt from those spend-down requirements the amount of long-term care benefits you have purchased. (i.e., \$300,000 of long-term care benefits will allow you to shelter \$300,000 of assets from Medicaid eligibility). If this happens, long-care sales will explode! More coming on this in the September newsletter.

**INDIVIDUAL DENTAL
PLANS NOW
AVAILABLE FROM
DELTA DENTAL**

Sold directly through Delta —not agents. Coverage is quite good, especially in network. Monthly costs range from \$37/month per person to \$47/month. For information, call 651/406-5995 or visit www.deltadentalmn.org for more specifics on coverage summaries and premiums.

**A REMINDER TO
RISK MANAGEMENT
CLIENTS**

If you want help with any kind of health or dental insurance decision, including help with group insurance decisions at work, call me. The cost of the consultation is included in your annual risk management fee that pays for my personal risk management services to you including outside policy coaching.

**MN AUTO NO-FAULT
COVERAGE IS
AMENDED**

The age to exclude yourself from coverage for work loss benefits following a car accident has been lowered from age 65 to age 60. To qualify, you must be retired and earning a pension. Carol Bechay estimates the annual savings will average about \$15 per vehicle per year. Call Corporate 4 Customer Service at 952/893-9218 to remove the coverage.

**TOUGHER
REQUIREMENTS FOR
FITNESS CENTER
DISCOUNTS**

Some "bad news." Effective January 1, 2007, you were notified by Blue Cross that you need to increase your health club workouts from 8 to 12 times a month to keep your \$20 monthly discount on your health insurance premium. The good news is that you'll probably live a lot longer! (Blame the U.S. Surgeon General! It was his recommendation!)

**A MAJOR CHANGE
TO HEALTH SAVINGS
ACCOUNT RULES
EFFECTIVE
JANUARY 1, 2007**

The Health Opportunity Patient Empowerment Act (HOPE) of 2006 now allows individuals to put up to \$2,850 into their Health Savings Account for 2007 or \$5,650 for families. Those age 55 and older can contribute an additional catch-up amount of \$800 each. The big change is that the amount of the contribution is no longer tied to the deductible of your High Deductible Health Plan. So whether you have a \$1,500 a year deductible or a \$2,800 a year deductible, you can put in \$2,850 or more. All contributions are deductible on your tax return and these before-tax dollars that you deposit into your HSA can be used for almost any type of medical or dental expense.

**“WHERE CAN I HAVE
MY HEALTH SAVINGS
ACCOUNT?”**

If you currently have your HSA through Blue Cross through their subsidiary MII Life and aren't completely happy, check out a bank option. More involvement on your part regarding bill paying but also more direct control of your money. You can have a Health Savings Account anywhere that you can have an Individual Retirement Account—banks, mutual funds, stock brokers, etc. If your bank does not offer a Health Savings Account option, contact either US Bank or Wells Fargo. They both offer them, and they are very active participants in them.

**SEVERAL
HARLEYSVILLE
CHANGES**

1. Auto insurance rates in the metro area reduced by an average of 9.5%. (Yes you heard me right—lowered!). You should see a reduction on your next renewal billing.
2. The premium for car rental coverage covering loss of use when your car is in the shop from a covered claim is being increased from \$10/year to \$30/year per policy—not per car. The benefit amount is also being increased from \$30/day to \$40/day.
3. Sump pump failure and sewer backup coverage is now available up to \$50,000. Call customer service if you would like some quotes for higher limits than what you currently have. The storm season is approaching so this is a good thing to consider right now. (Your current coverage limit may only be \$500!!)

**HARLEYSVILLE NOW
OFFERS HOME
REPLACEMENT
COVERAGE
GUARANTEE OF
175% OF BUILDING
COVERAGE**

Their basic Homeowners coverage has a replacement guarantee of 125% of the structural coverage. For \$15/year more, you have taken my advice and raised that cap to 150% a few months ago. For another \$15 a year, you can raise that cap to 175%.

My advice? Carol Bechay and I already do a triple check of your building insurance replacement cost when we set up your policy or when you remodel. It's still an estimate, so I do like the 150% cushion, but I think the 175% may be overkill. Nonetheless, if you would like that peace of mind, call Customer Service at 952/893-9218 and request the change.

**\$156,000 PER
PERSON**

Believe it or not, that's your share personally of the national debt. It kind of puts the trillions of dollars of national debt in perspective, doesn't it?
(Source: Society of Certified Insurance Counselors)

**REMINDER: WE DO
NOT SEE YOUR RATE
INCREASES!**

We don't get paper copies of anything anymore—no policies or premium notices. Everything is electronically downloaded onto our computer system, so we have no way of knowing if your premiums have increased. If you're unhappy with a sizeable rate increase, please call and bring it to our attention so we can find out if it's an error and we can get that fixed or else do some comparison shopping for you to make sure that your price is still competitive.

COVERING YOUR PARENTS' PROPERTY AND LIABILITY EXPOSURES IN A CARE FACILITY

The insurance industry is coming out with a new optional Homeowner's coverage called Assisted Living Care coverage to cover risks associated with the rental of a room or an apartment. I have studied this endorsement and do not recommend it since it has a number of restrictions and limitations. I do have other strategies, though, for helping you protect your parents' assets from injuries or property damage they cause while living in one of these facilities. Call me personally to discuss your situation.

"LIFELOCK": GUARANTEED IDENTITY THEFT PREVENTION

Probably a better alternative to buying insurance against identity theft, which still leaves you with a mess to straighten out, is preventing identity theft from happening at all. A new choice for this service is LifeLock. They are so confident in their service working that they back the service with a guarantee to pay your out-of-pocket costs in full up to \$1 million. Pricing is about \$10/month or \$110/year. If you do buy this service, call our Customer Service Department to cancel all your identity theft insurance coverage and premiums. For more information, go to www.lifelock.com. Enter in the box labeled PROMOCODE "**AFFILIATE**" to receive a 40% discount only available to insurance agents. You can add children for a nominal amount.

LIFELOCK FRINGE BENEFITS

- Your credit is blocked so only you can use it. If your identity is ever stolen, they will do whatever it takes to fix the problem.
- They stop pre-approved credit offers that will drastically reduce the amount of junk mail.
- Most importantly, they put alerts on your credit report through all four major credit bureaus so nobody can do anything with your credit report without your specific approval.

COVERING CONDO GARAGE STORAGE UNITS

Client Nancy C. recently spent \$2,300 on storage units at her underground condominium parking space. What if they're damaged by vandals? How is the personal property kept in them covered if stolen? More importantly, how does the liability coverage respond if some child gets injured while playing with them? Good news! The Homeowner's Condominium Policy will respond to all three of those types of losses, subject only to the property insurance deductible. To prevent break-ins, Nancy recommends Medeco padlocks to reduce the theft risk. To quote her, "Wonderful padlocks available only at locksmiths or online. Keys cannot be duplicated. Locks cannot be picked or sawed." (See www.medeco.com.) Thanks Nancy for the tip.

MII LIFE DISABILITY POLICIES BEING TAKEN OVER BY USAble LIFE

Effective July of 2007. Applies to any groups with Blue Cross health insurance who have Life or Disability insurance through the Blue Cross affiliate MII Life. Neither your coverage nor your premium will change as a result of this "new partnership." The AM Best rating of USAble Life is "A" for "excellent." Other than the name on your billing, you should not see any noticeable differences.

WARNING TO THOSE OF YOU WHO HAVE REGULAR ACCESS TO THE "FAMILY CABIN"

If so and you cause an injury while using it, you may not have liability coverage for injuries or property damage you cause! "But the cabin is insured" you exclaim "by another family member." Yes, the cabin itself is probably covered properly for fire, windstorm, etc. Your other family member named on the policy is also probably covered for liability claims, but you're not. Your Homeowner's policy with us excludes any liability extensions to any other real estate property that you own with others or do not own but have regular access to, even if you only use it occasionally. The solution to the problem is to extend your Homeowner's and your Umbrella Liability policies to cover that risk for about \$20/year. If this is your situation, please call our office immediately to arrange the necessary coverage. You will need the address or the legal description of the property.

**WARNING! SAFECO
AUTO POLICY NO
LONGER COVERS
PIZZA DELIVERIES!**

Or any other business-related deliveries for that matter, such as newspapers or flowers. They have now joined Progressive as the only two companies I use that have that exclusion. As with Progressive, if you or any of your driving children do any of this activity, contact Carol Bechay in my office, your account manager, who can help you get your insurance placed with another company that doesn't have that exclusion. A further caution—if the auto policy doesn't provide coverage, most likely neither will the Umbrella Policy. Note that this exclusion doesn't apply to just deliveries for hire, but it applies to any business-related deliveries, such as delivering the materials and supplies and equipment pertaining to your own business.

**SAFECO ALSO NOW
EXCLUDES USE OF
VEHICLES IN STUNT
OR DEMOLITION
CONTESTS**

Client Denise C. called quite upset when she got this notice from Safeco. She was concerned that her husband Justin's use of his SUV in the Monster Truck Competition at the State Fair would no longer be covered! I sadly had to confirm to her that her interpretation was correct. Sorry Justin.

**SOME HELPFUL
RESOURCES**

- www.optoutprescreen.com – to opt out of credit bureaus selling your information and you receiving a lot of solicitations as a result.
- www.annualcreditreport.com – free written credit reports from each of the major reporting services every year. Note this is not the same as freecreditreport.com, which is not free.
- **1-888-383-1222** – the National Do Not Call Registry to opt out of receiving tele-marketing phone calls. Note that you must be calling from the phone number that you want protected.
- www.gethuman.com – Tips on what buttons to punch to by-pass the recorded messages for every major corporation out there and get a real person immediately. You'll love this one!

**MY INSURANCE
PROCLAMATION**

"One score and 15 years ago, I brought forth on this nation an insurance agency conceived in liberty and dedicated to the proposition that all insurance buyers aren't created equal. That there are some buyers who want more expertise and more services such as this personally written newsletter and are willing to pay an annual fee in exchange for these added benefits available nowhere else. We have been engaged in a great civil war testing whether this agency or any agency so conceived and so funded can long endure. Because of your support of this concept, we have endured for 35 years now. With your continued support, this agency of the people, by the people and for the people will not perish from this earth."

(Thanks to A. Lincoln for inspiration.)

Many thanks to each of you who, through your continued financial support, make it possible for me to continue to keep alive my vision of a different kind of insurance agent and provide you with value-added services and expertise that are not available elsewhere.

All the best.

Jack Hungelmann



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