

Greetings ... I hope that you are getting outside and enjoying some of the wonderful spring weather we are having.

This newsletter contains information on: uninsured and underinsured motorist coverage; the risks of belonging to a homeowners association; five tips to finding a lost life insurance policy; and how to insure an expensive bicycle. Enjoy.

**ATTENTION SAFECO
UMBRELLA
POLICYHOLDERS**

Safeco now offers optional excess uninsured and underinsured motorist coverage of \$1 million on their umbrella policy. The cost is less than \$100 per year per vehicle. I recommend that you add this coverage option by calling Corporate 4 customer service at 952-893-9218 and requesting the coverage. Adding this coverage will bring your total uninsured and underinsured motorists limits to \$1.5 million. (\$500,000 of primary coverage from your auto policy and an extra \$1 million from your umbrella policy.)

**WHY I RECOMMEND
HIGHER UNINSURED AND
UNDERINSURED
MOTORISTS LIMITS**

Because the probability is so high of you or your family members being injured by someone with little or no insurance. I've seen estimates that at least 10% of drivers on the road have no insurance at all. And I estimate that at least 40% to 60% have less insurance than you have.

And because, when valuing your injuries in a car accident, you are worth as much as anyone you might hit.

**DO YOU BELONG TO A
HOMEOWNERS'
ASSOCIATION?**

This is an association of single-family homeowners who, as part of their deed, co-own a share of some community-owned land. Sometimes it includes structures like swimming pools or cabanas. More often, the community-owned land is just a classy entrance to the neighborhood (i.e., a strip of land, some landscaping, and a nice sign.)

**THE ASSOCIATION
NEEDS INSURANCE**

Specifically they need public liability coverage for injuries arising out of the community-owned property. This is typically \$1 million or more. What happens if the amount of insurance being carried is less than the injury settlement? The association has a right, in the bylaws, to assess each of the homeowners a proportionate share of the shortage. How can the homeowner protect themselves?

**BUY LOSS ASSESSMENT
COVERAGE**

Buy the maximum your homeowners insurer offers. (Typically \$50,000 for about \$25 a year premium.) Here's how the coverage works. Suppose your association has a \$2 million shortfall in coverage for an injury occurring on the community-owned property. You and other homeowners will be assessed the shortage. If there are 100 homes in the association, each homeowner's share of the loss is \$20,000. (\$2 million split evenly over 100 homes.) Your home loss assessment coverage will pay for covered loss assessments up to the policy limit.

WHY IS THIS IMPORTANT TO KNOW?	Even though the association has the power to assess according to the association bylaws, a high percentage of association management companies and boards of directors don't even realize that this exposure exists. So of course they don't tell the homeowner. And if the homeowner doesn't know about it, they can't tell us about it. So they will have no coverage if they are assessed for an underinsured claim.
WHAT TO DO	Call Corporate 4 customer service 952-893-9218 and ask to immediately add loss assessment coverage of \$50,000 to your homeowners policy.
HOW BEST TO INSURE EXPENSIVE BICYCLES	Unlike jewelry, silver, guns etc., homeowners policies do not have dollar limits on bicycles. If you buy a \$3,000 bike and it is stolen, you will receive \$3,000 less your homeowners deductible. The advantage of scheduling your bicycle is that generally you do not have a deductible. Unless you have at least a \$2,500 homeowners insurance deductible, I probably wouldn't recommend scheduling your bike. I do recommend that you have optional "special perils contents coverage" so you have the broadest possible coverage for your bike and other personal property.
FIVE STEPS TO TRACKING DOWN A LOST LIFE POLICY	One of the sadder times to be an agent is when a client dies. It's even more difficult when the spouse and children are unable to find any life insurance policy covering the deceased. Here are some tips for finding the policies, courtesy of International Risk Management Institute (IRMI).
REVIEW BANK BOOKS AND CANCELED CHECKS	Look for any checks made payable to life insurance companies in the past couple of years. Including any electronic payments.
CHECK WITH AUTO AND HOME INSURANCE AGENT	The agent may have sold the deceased a life policy. Or they may have a record of where he or she has life insurance.
CONTACT THEIR RECENT EMPLOYER	The deceased may have purchased supplemental group life insurance in addition to the free stuff provided by the employer.
CHECK WITH YOUR STATE'S UNCLAIMED PROPERTY OFFICE	If the insurance company can't find the beneficiary of a life policy, the insurer must turn over the death benefit to the state's unclaimed property office in the state where the policy was purchased.
TRY THE MIB DATABASE	MIB maintains a database of the individual life insurance applications underwritten since 1996 by member companies. www.MIB.com

I've been writing three of these newsletters for 32 consecutive years now. 96 consecutive issues. It's the best way I've found to keep you up-to-date on insurance-related issues and my advice regarding each. All part of my risk management and insurance services.

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.

