

Greetings! My February 1 retirement date as an agent is approaching. I have been meeting Wednesday mornings with clients, updating their coverages, and introducing Mike Hoppe – the agent taking over my accounts. If you would like to meet with me one more time, while at the same time meeting my replacement Mike Hoppe, email Carol Bechay who has our schedules. Carol's e-mail address is cbechay@corporatefour.com. I would love to see you! Here is Mike's input on a hot topic – cyberbullying.



WEBSTER DEFINES IT

"The electronic posting of mean-spirited messages about a person (such as a student) often done anonymously."

**WILL YOUR INSURANCE
PROTECT YOU IF YOUR
DEPENDENT IS ACCUSED
OF SUCH A
WRONGDOING?**

The answer is a big "MAYBE." Unendorsed homeowners policies cover only your liability for bodily injuries – not for personal injuries like libel, slander, and invasion of privacy. By adding the optional personal injury coverage to your home and umbrella policies (with which we do for all home-related policies), you greatly increase the odds of coverage.

Note: Some insurers are starting to add to their homeowners policy forms language intended to exclude such claims.

**MIKE'S ADVICE?
PREVENT THE CLAIM AS
MUCH AS POSSIBLE**

Be vigilant with your younger cyber users. Know what they do online—especially on social sites. Be a parent first. Your assets could depend on it.

**DRONES! DRONES!
EVERYWHERE**

Drones as in unmanned aircraft. The military uses them. Businesses use them. And now a growing number of individuals are using smaller versions of them for pleasure or recreational purposes. These usually come equipped with a built-in camera. They cost anywhere from \$50-\$2,500.

**SOME RULES FROM THE
FAA REGARDING
RECREATIONAL USE OF
DRONES**

- They must be registered with the FAA
- They must weigh less than 55 pounds including cargo
- Their permitted use is up to 400 feet in altitude
- Strictly recreational or hobby use
- Not flown within 5 miles of an airport
- They must stay within the operator's line of sight
- Operators must be at least 16 years old
- They must be used only in daylight hours

**"I OWN A DRONE.
WHERE CAN I FIND
LIABILITY INSURANCE?"**

Start with your homeowners and umbrella liability policies. They both exclude liability arising from aircraft. Yet both policies make an exception for hobby or model aircraft. Some companies are starting to specifically exclude drones however. If you own a drone, I suggest you contact our customer service department ASAP regarding whether or not you have coverage. If your drone is equipped with a camera, make sure you also have personal injury liability for invasion of privacy lawsuits.

**CONSIDER JOINING THE
ACADEMY OF MODEL
AERONAUTICS**

Besides all the other benefits, included with their \$75 annual membership is \$2.5 million of liability insurance! What a bargain!

GETTING COVERED FOR HOUSE SHARING

Homeowners policies have always allowed coverage if you rent out your home for up to two roomers or boarders, provided that you still reside there. But what about those times for example around sporting events like the Ryder Cup or the Super Bowl where you rent out your entire house for the week for \$10,000? In the past, that type of activity would have been excluded by the business exclusion of the homeowners policy. In recent years, the business exclusion has been modified to allow for occasional rental. The problem is that most companies don't define "occasional." Is it one week a year? How about a month? Is that still "occasional"?

ENTERING THE HOUSE SHARING PICTURE – AIRBNB

An online house sharing site. Client Bill W. participates with AirBnB and a competitor. He hosts guests about 15 times a year with an average stay of two days. Is that still "occasional"?

THE ANSWER IS GOOD COMMUNICATION

You communicate with us if you are doing any house sharing. We work with your homeowners and umbrella insurance company to come to an agreement as to whether or not your house rental is occasional. We did that for Bill W. with his insurance company who agreed the renting was indeed "occasional."

AIRBNB INCLUDES EXCELLENT LAWSUIT PROTECTION FOR PARTICIPATING HOSTING HOMEOWNERS

First, they require all participating guests to sign a release and waiver form agreeing not to sue the homeowner for injuries suffered during their stay. The form also contains an indemnification agreement where the guest agrees that, in the event of the suit against the homeowner by an injured guest, they will defend and pay any judgment against the homeowner!

Second, they include \$1 million of Host Protection Insurance in case an injured guest decides to sue anyway. I like this coverage because it offers \$1 million of third-party liability coverage on a primary basis. Which means that AirBnB will pay first before the host's homeowners and umbrella liability coverage have to pay anything!

"WHAT IF A GUEST DAMAGES THE HOST'S HOME OR CONTENTS?"

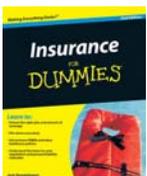
Coverage is not so good. AirBnB's "Host Guarantee" is designed to do just that. But it doesn't cover valuables like jewelry. It doesn't cover replacement cost. And coverage is excess. It only pays after all other insurance has paid first (i.e., the host's homeowners policy). Its principal value is as a backup coverage in case the homeowners claims adjuster declined your claim due to the "business exclusion."

This is a pretty special edition of this newsletter. Issue # 100! I have written three a year for 33 years, starting January 1985. (I wrote a fourth the year Medicare introduced Part D drug coverage.) When I look back on my 47 years as an agent, the quality and consistency of this newsletter is something of which I am very proud. I hope they have been both enjoyable and helpful to you. [For more on the subject, go to <https://www.irmi.com/articles/expert-commentary/writing-your-own-newsletter/> where I describe the writing process.]



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.

