

# Insights and Updates

[Winter 2014 • New York]

## Ride sharing: Income Lyft or Uber dangerous?

Recently peer-to-peer ride sharing has exploded on the scene. It is either the next big innovation in the marriage between technology and social networking or it is the next big innovation since slap bracelets and silly bandz. Regardless of its future, ride sharing is here, and, at least for the immediate future, isn't going anywhere.

At its most basic level, ride sharing is carpooling. It is the act of sharing a vehicle with one or more persons for the purpose of commuting to a desired destination. The goal is to share costs among all occupants of the vehicle, making the commuting more inexpensive than it would be if you were commuting alone. However, with the rise of peer-to-peer ride-sharing apps such as Uber and Lyft, this act of carpooling has taken on a more commercial quality.

With peer-to-peer ride-sharing services, drivers use their private vehicles to give rides to individuals who have requested them via a ride-sharing app. Prior to requesting a ride, the passenger is required to enter their credit-card information into the app, and upon successful arrival, the driver is paid via the app from the stored credit-card information. Sounds like a pretty good system, right? The driver picks up some extra cash, and the passenger gets where they need to go without breaking the bank.

But what happens when something goes wrong—something like a car accident? There are millions of car crashes a year. When an accident occurs, we exchange insurance information and then wait for the insurance companies to send a check to cover the damage and/or the medical bills.

However, when the vehicle you are traveling in is a ride-sharing vehicle, the outcome could be different. Most standard personal auto policies contain exclusions for livery, i.e., driving for hire. These exclusions could remove liability, medical payments coverage, uninsured motorists coverage, coverage for damage to your auto, and underinsured motorists coverage from your policy. This means that instead of saving or making a few bucks,

## Index

Heating your home this winter .....	2
The cold truth about ice dams .....	2
Heating your home this winter .....	3
Sledding on personal property.....	4
News from our agency .....	4

you could be left to shoulder the burden of thousands and thousands of dollars' worth of hospital bills and auto repairs.

Given the uncertainty surrounding insurance coverage for ride sharing, it's important to speak with us first to ascertain whether you will have coverage in case of an accident if you are planning to use ride sharing, either as a driver or a passenger.



## Heating your home this winter

As we settle into the winter months, what can be cozier than enjoying some time in front of a gently burning fire? According to the U.S. Fire Administration, more than one-third of Americans use fireplaces, wood stoves and other fuel-fired appliances as primary heat sources in their homes. It can be less expensive than traditional gas, and advancements in technology have made fireplaces more efficient as a heat source. Plus, if the power goes out this winter, you will have a reliable heating source while you wait for the electric company to restore your power.

All of these are good reasons to consider using a fireplace as your primary heat source, but according to the U.S. Fire Administration, confined

fires, those fires confined to chimneys, flues or fuel burners, accounted for 87 percent of residential building heating fires (i.e., fires caused by central heating units, fixed or portable local heating units, fireplaces, heating stoves, chimneys and water heaters).

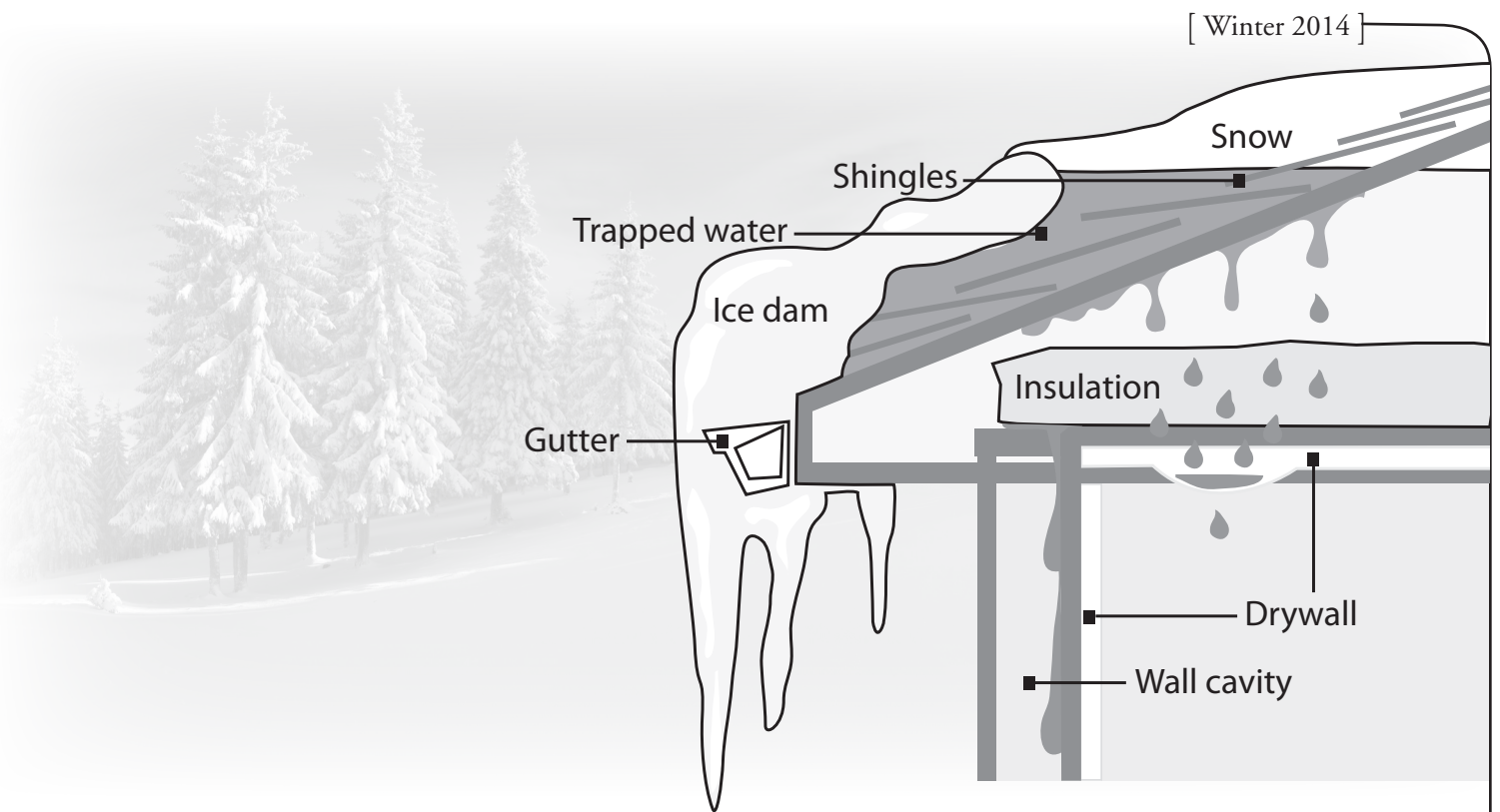
Worry not. There are ways to enjoy your fireplace and protect your home. If you are thinking of installing a fireplace in your home, call our agency first. Some insurance companies require proof of certification to show that a fireplace is installed properly and that it complies with local building codes. If you are buying a new home that already has a fireplace, let us know that, too. You may need to have your fireplace inspected before an insurance company will write a homeowners insurance policy.

Some types of fireplaces also may increase your insurance premiums on your homeowners policy. If we (and your insurance company) don't know you have a fireplace and a fire does occur in your home, it might void your insurance policy.

To protect your home further, the National Chimney Safety Institute of America recommends that you have your fireplace and chimney inspected once a year. Even if you don't use wood to heat the home, it's a good idea to have your furnace inspected and cleaned up, to prevent fires from gas and oil burners. This will make sure that they are in good working condition and lessen the likelihood of a fire.

Once you've given our agency a call, sit back, relax and enjoy your fireplace.





## The cold truth about ice dams

The wind and snow of winter storms can lead to all kinds of problems for homeowners with tree limbs falling, power outages leading to frozen pipes and ice leading to slips and falls. After the storm clears, however, your property may be at risk from another costly problem: ice dams.

When warmth escapes the heated living space in a house, enters an attic and meets the roof, the accumulated snow in contact with the roof begins to melt, regardless of the outside temperature. The liquid water runs down the roof until it meets the unheated edge, near the eaves, where it refreezes and eventually forms a solid dam of ice. Water builds up behind the dam and, with nowhere to go, finds its way up under the shingles, and into the attic where it can infiltrate walls, soak insulation, ruin drywall and cause electrical problems.

In addition to the inconvenience of trying to remediate these problems in the dead of winter, this damage is likely to be costly and invite the submission of an insurance claim. Luckily, homeowners can take steps to prevent ice-dam problems before they occur, and as an ice dam begins to form,

saving damage to your house and your finances, and preventing a potentially costly claim.

- **Keep the attic cold.** An insulation or air-sealing contractor can identify where warmth is entering the attic and can seal and insulate these problem areas. Keeping the attic cold prevents the frozen snow on the roof from melting


**“In addition to the inconvenience of trying to remediate these problems in the dead of winter, this damage is likely to be costly and invite the submission of an insurance claim.”**

and refreezing into a dam. This can also keep your energy bills down, eliminate drafts and cold spots and make living areas more comfortable.

- **Protect the shingles.** Snow panels are sheets of solid material, such as aluminum flashing, that replace or cover the shingles in the areas where ice dams form. They do not prevent the dams from occurring, but are impermeable and deny the infiltration of backed-up water in the event a dam does form. A roofer can help with the proper location and installation of this cost-effective measure.
- **Remove the snow.** A wheeled snow rake allows a homeowner to pull accumulated snow off of the roof before it has a chance to melt. Wheeled rakes prevent the rake’s edge from contacting and possibly damaging the roofing material.
- **Melt the dam.** Electrically heated snow-melt cables are affixed to the roof in trouble areas along the edge, and, when turned on, melt the accumulated ice. Talk to a roofer about the optimal installation of the cables, to maximize their effectiveness.



## Sledding on personal property



Few thoughts kindle feelings of nostalgia quite as readily as memories of sledding: the wind in your face as you tear down a hill—joy and mild panic playing Pong inside your head—followed by the long trudge back to the top.

Few topics smother nostalgia quite as completely as ... insurance and liability.

Parents should understand that the mild panic that tempers the joy of sledding is entirely reasonable. Children can and do get hurt regularly. The Research Institute at Nationwide Children's Hospital analyzed data from 1997 to 2007 and found 229,023 injuries serious enough for ER treatment in that time period among children under the age of 19.

Property owners should understand the potential liability risk this raises. As a general principle, property owners are not liable for the injuries of trespassers. However, there are some legal exceptions, particularly, when dangerous hazards are known to exist and are not obvious to the trespasser. If you don't

want people sledding on your property, but you know that they will, it may be a good idea to post "No Trespassing" signs at regular intervals around the perimeter of your property, or provide a warning of the hazard they should avoid.

Luckily, a standard homeowners insurance policy covers liability for bodily injury and property damages that occur on the residence premises. It also covers the family's liability while using a sled on someone else's property. Policy limits typically start around \$100,000, but can be increased to at least \$500,000. Medical payments coverage on the policy can provide limited goodwill assistance regardless of fault. You also may want to consider an umbrella policy, which provides additional liability coverage in \$1 million increments.

Regardless of which strategies you pursue to reduce your liability risk, give us a call. We can help you sort through your options to get you the liability protection you need at a price you can afford.

## News from our agency

### Safe driving during the winter

During the winter season, drivers can protect themselves and their passengers by following a few travel guidelines:

- Before heading out, make sure your vehicle is tuned up and in good shape for travel. Check to make sure your tire tread is good, or switch over to snow tires.
- If snow is predicted during your travel time, change your schedule. It's better to reschedule than to risk the safety of others.
- Stay alert when driving. Take plenty of breaks.
- Keep your speed down. Give yourself plenty of time and distance to react to the traffic around you.
- Clear snow from windows, mirrors and roof. Keep headlights and tail lights clean.
- Carry an emergency kit—a blanket, flashlight, duct tape, a change of clothing, snacks, bottled water, jumper cables and shovel in your trunk. Kitty litter or sand also is useful to gain traction if you get stuck. And, before you head out, call our agency if you have any questions regarding your auto insurance and the coverage you have.