

# Insights and Updates

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## What can auto medical payments coverage do for you?

The New York Comprehensive Automobile Insurance Reparations Act (also known as the no-fault law) took effect on Feb. 1, 1974. Legislators wanted to ensure that persons injured in an auto accident would receive prompt and sufficient medical treatment and income replacement without the burden of litigation.

The no-fault law provides a package of personal injury protection benefits and finances it with the removal of excessive pain and suffering damages, wasted-litigation expenses and redundant benefits payable under other social programs. As a result, persons injured in an auto accident give up some of their rights to sue for noneconomic damages in exchange for guaranteed benefits that are promptly paid regardless of fault. However, if the injury is severe enough to reach a “verbal threshold,” which is a list of nine injury types, an injured person might then pursue noneconomic damages.

PIP benefits emerge from the legislators’ promise of Basic Economic Loss for eligible injured persons, which consist of four types of compensation. The first three shown below are subject to a combined limit of \$50,000, while the limit of the fourth is in addition to the \$50,000 limit.

1. All eligible medical expenses incurred without time limitation;
2. Income loss payments up to \$2,000

per month for no more than three years;

3. Other expenses incurred (e.g., housekeeping or transportation) up to \$25 per day for not more than one year; and
4. Death benefit of \$2,000, payable to the covered person’s estate.

Insurance companies must offer the choice of a family deductible in the amount of \$200; they also may offer the choice of a \$100 family deductible.

While eligible injured persons are guaranteed this Basic Economic Loss, it may not all be payable as PIP benefits. There could be other sources, such as workers’ compensation, state disability or Social Security benefits, which may contribute with your auto insurance to help compensate you for Basic Economic Loss.

Additional PIP coverage broadens the protection in two distinct ways: First, it expands the definition of eligible injured person to include passengers who are not residents of New York when injured outside of New York. Second, it adds another layer of limits (each of the four categories of Basic Economic Loss) to be paid as Extended Economic Loss.

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The limit combinations that are available for you to choose from may vary by insurance company since each company is permitted to file its own group of optional limits, so don’t go it alone. Call our agency. We’ll be glad to review and explain the limits and combinations with you.



## Bringing the car to college

It's that time of the year when the kids head back to college. This year, your child wants to take his or her vehicle back with him or her. "What could go wrong?" your child asks, as you casually turn on "Animal House" to show the scene when D-Day turns Flounder's car from a vehicle to the "Death Mobile."

Be aware of a couple things when your child takes the car to school. First, no matter who is driving (as long as they have permission), your policy will respond for coverage, and that means there is a chance your premium could increase due to losses.

When notifying your carrier of the new garaging location (school), the underwriters may want to know who your child is living with, and they may want to get those individuals' driving records, since roommates could have access to the vehicle. Depending on their records, this could become a problem.

A new premium for the vehicle could come with a new garaging location. The rates are based partially upon where the vehicle is garaged, so the premium could increase. Will the student be driving more? Is he or she living on or off campus? Is the vehicle garaged or parked on the street? All of these things could affect the premium rate.

So, if your child is heading back to school with the car, call us and we'll be able to make sure he or she is covered properly and you have one less thing to worry about.

## Insurance and your home business

The idea of running your business from home has appeal: The commute time is negligible and you can conduct staff meetings in your slippers. But, before you convert your basement into your home office, make sure you've thought about your insurance coverages and that you've called our office. We can review your business requirements and tailor a business insurance policy to fit your needs and the needs of your business.

A traditional homeowners insurance policy may cover only up to \$2,500 for items in the home used in business and \$1,500 for equipment that is not on the premises. A stolen business credit card; a power surge causing the loss of important computer data; and a lawsuit over a business-related matter are not covered under a homeowners insurance policy.

Addressing these concerns may be as simple as adding a home business endorsement to your existing homeowners policy. This endorsement will cover your business property; business liability, including product, personal injury and advertising liability; loss of business income protection; valuable papers coverage; and accounts receivable. However, all businesses are unique. Will you have a company car? Are you running a day care or similar business? Does your business involve specialized, expensive equipment? We can help you examine all your options.

Don't let the appeal of an at-home business be affected negatively by a business-related insurance claim. Call us today and have peace of mind tomorrow.





## Cold weather safety for your home and family

Ahh, fall—We love it! Vivid foliage, pumpkin spices, football and cuddling next to the fireplace warms our hearts, but please remember: As the weather gets cooler and you take action to keep your family warm, your family and home face greater jeopardy. The National Fire Prevention Association warns that heating equipment fires are the second-leading cause of fire deaths in American homes in the colder months and it suggests these tips to prevent them:

- Select equipment that bears the mark of an independent testing laboratory.
- Be sure the equipment is installed by a trained professional, in compliance with local fire and building codes.
- Keep all portable heaters (whether powered by electricity or fuel) at least 36 inches from anything that can burn, including furniture, bedding, clothing, pets and people.
- Run space heaters only when you are in the room and awake. And, supervise all children and pets when the heaters are in use.

- If you are using a portable kerosene heater, use only the fuel recommended by the manufacturer. Store the kerosene away from heat or open flame in a container approved by your local fire department, and be sure it's clearly marked with the fuel name.

**“Heating equipment fires are the second-leading cause of fire deaths in American homes in the colder months.”**

- Have your heating system and chimney inspected (and cleaned, if necessary) prior to the start of every heating season.
- If using a wood stove, follow the manufacturer's recommendations

for installation, use and maintenance.

- When disposing the ashes from your fireplace or wood stove, first make sure all embers are extinguished and discard them away from the home. Your evergreens will love cold ash incorporated into the soil!

Above all, we want you to be safe in your home, and we want to help in the event that the unthinkable happens. Part of being prepared is making sure your homeowners insurance reflects the amount of coverage you would need to replace your home and possessions. Do you have replacement cost coverage? Have you taken a home inventory with photos or a video? Call our agency. We'll be glad to review and explain your coverages to you.



## Cleaning up household waste after a storm



Cleaning up your house or building after it has been damaged by a storm is not as simple as it may seem, but there are safety precautions you can observe to ensure the job goes smoothly after the storm. Before you even begin the clean-up process, always remember to properly document any damage so it can be assessed by the adjuster. Here are a few tips to keep in mind when cleaning up after a storm:

1. The type of storm will determine what is to be done to protect chemical spills and leaks. If you're in low-lying areas, where the primary concern is flooding, take hazardous chemicals, such as paints, cleaners, and gasoline, and move them to the upper floors. If you're inland, where the brunt of the storm will be high winds and wind-driven rains, then move the chemicals to lower levels.
2. Take care to ensure all household chemicals are labeled and sorted properly. Mixing household chemicals and cleaners can produce potentially toxic vapors that can

be very dangerous. Household materials, such as bleach and ammonia can mix to become phosgene gas, a colorless deadly gas. Other mixtures, such as gasoline and rubbing alcohol can create explosives.

3. Make sure to dispose of all chemical and household waste properly. Dumping chemicals down the toilet or drains may contaminate the public water supply and could introduce toxic chemicals into marine ecosystems. To avoid potentially dangerous fumes, also make sure to carefully remove chemicals from other waste if you choose to burn debris after a storm. Try instead to dispose of such waste into garbage cans or bags, or use the centers or collection points sometimes made available by the government specifically to handle disposals after a major storm.

Before the storm hits, make sure to call our agency to make sure you have the proper coverage in place.

## News from our agency

Smart insurance buyers focus on preventing losses and minimizing the severity of any losses that can't be avoided. That's important for a number of reasons. By working to prevent loss, you avoid accidents that can lead to death, injury and property damage. Also, by preventing losses you can save money, as even the best insurance policy may not pay for all of a loss and doesn't compensate for the disruption and inconvenience associated with losses. And, by preventing losses, you escape the deductible burden, which falls on the policyholder.

Even with the best precautions, accidents happen. Notify us as soon as possible to report any accident that might require an insurance claim. We will help you through the claims process.

