

# Insights and Updates

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## Gap insurance

Whether you are leasing or buying a car, you will be required to carry an auto insurance policy that includes collision and comprehensive coverage, as well as an acceptable deductible. However, when it comes to leasing a vehicle, there is a risk you may not be aware of: The gap.

If your insured vehicle is damaged in an accident and it is determined to be a total loss, the insurance company will pay an amount equal to the actual cash value of the vehicle. However, the lease balance can be higher—sometimes thousands of dollars higher—than the insured value, because the most significant depreciation occurs the moment you drive the vehicle off the

lot and during the first few years. This difference represents the gap, which typically becomes your responsibility to pay. This is what gap insurance is designed to cover.

Creditors and lessors have the option to not hold you responsible for the gap, but often, you will have to either assume responsibility for the gap or pay an additional charge to waive it. As your independent insurance agent, we may be able to find affordable gap insurance—quite possibly for less than coverage through the lessor (although this option is not available in New York).

And, while the gap risk is more common with leased vehicles, gap coverage isn't just for leases. If the vehicle

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is purchased with a minimal down payment, or no down payment, the same gap may occur when the value is less than the loan balance. If you're car shopping, drop by our office or give us a call, we can help you figure out your best course of action.



## Feel the earth move under your feet?

Did you feel that? It felt like the Earth slowed down a bit. According to the Geological Society of America's recent study, the Earth's rotation has been in a period of slowdown for the past few years, which could create an uptick in the number of earthquakes. According to the study, quake-prone periods follow periodic slowdowns in the speed of the Earth's rotation. Traditionally, the earth averages 15 major earthquakes (magnitude 7 or higher) a year. Historically, during quake-prone periods, the number of major earthquakes can jump to 25-30 a year.

While there are areas that are more prone to earthquakes, an earthquake can happen anywhere at any time. There is something you can do to protect your home and property now. While most standard homeowners policies exclude damage caused by earth movement (e.g., earthquakes and any other earth movement, including earth sinking, rising or shifting or damage caused by flooding or mudslides), you can purchase an endorsement to your homeowners or renters insurance to cover your losses from earthquakes and aftershocks.

Since different building materials react differently to earth movement (e.g., brick versus wood), premiums vary by the type of building construction and they usually are determined by a percentage of the building's value.

Keep in mind: Once an earthquake is detected, it's too late. You can't buy the coverage within 72 hours after an earthquake, and damaging aftershocks are always a possibility within that period of time. If you are interested in adding an earthquake endorsement to your homeowners or renters policy, give our agency a call. We can help you get settled.





## The unexpected happened: Now what?

When you have an accident or experience damage to your home or property, you no doubt will feel overwhelmed and you may not instinctively know what steps you should take to ensure recovery. A little preparation is your first prescription for getting through the experience.

Your safety is always the most important concern. If it's your home, look for unsafe conditions such as: downed power lines, the smell of natural gas and unstable structural conditions. If it is safe to proceed, protectively shut off the utilities before inspecting the damage. If it's an auto accident, make sure everyone gets out of harm's way and emergency medical care is summoned for the injured. If a crime has been committed, or if there is an auto accident with injuries or significant damage, be sure to call the police immediately and take pictures of everything.

Gather as much information as you can. If your home is damaged, you will

need to protect it from further damage by removing accumulated water, boarding windows, etc. In the event of an auto accident, exchange insurance information with drivers, obtain witness names, ask for a police report and take photographs. If your car is not

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drivable, you will need to get it towed to a safe location.

As soon as possible, call our agency or contact your insurance carrier directly with a report of your claim. They will walk you through the claims process and assign an adjuster to your claim.

If your home and contents are damaged, the assigned adjuster will determine the cause of damage and itemize the property that has been damaged. You will want to make sure that nothing is overlooked. The placement of values on the damaged property will not occur at this time. Appraisals, repair estimates and inventories will be obtained later to establish values. Every policy is different, but a typical homeowners policy will pay your additional living expenses to relocate while repairs are being made (save your receipts).

If there has been an auto accident, you will need to make your car available for inspection and provide a statement about the incident. The adjuster will advise you about getting estimates for your damaged car.

Our agency is prepared to guide you in this process, so don't hesitate to lean on us.



## April showers can bring April flooding



Springtime is prime time for flooding. Snowmelt, rainstorms and mudslides all can cause flood damage, and unless you have flood insurance, you are not covered for these potential catastrophes. Generally, coverage provided by a standard homeowners policy does not include damage caused by flooding or mudslides. This type of damage could be extremely destructive to your property and without the proper insurance coverage, you could also face great financial loss. Floods can happen anywhere, anytime—not just near the coast, lakes and rivers.

Prepare yourself for flooding by heeding storm warnings and weather alerts, and be sure to follow evacuation procedures such as boarding up windows, shutting off utilities and preparing an emergency kit ahead of time that contains items such as food and water, a can opener, clothing, blankets, flashlights, first-aid supplies, a battery-operated radio and extra batteries.

Of course, no preventative measures offer complete protection. The best defense always will be the right insurance coverage. And, while many people think homeowners insurance will pay for flood repairs, it does not. Flood insurance typically has a 30-day waiting period before coverage goes into effect. As your professional, insurance agent, we want to remind you that the time to purchase flood insurance is sooner rather than later. Therefore, if you are concerned that your home may be at risk for flood damage, give our office a call today, before it's too late!

## News from our Agency

### Stay informed

Staying informed and up-to-date on your insurance policies isn't just smart, it also can save you money and give you peace of mind. If you haven't reviewed your insurance policy in a while, you might be paying for things that no longer apply to your current situation. Or, perhaps you have a costly gap in coverage you were unaware of. If you've only been renewing your policy over and over for a while, sitting down with us for a review might leave you with better protection.

Give us a call and we can go over your policy together to make sure you're properly covered and not paying for something unnecessary. We're here to help.

