

Insights and Updates

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Keeping ‘score’ of your credit can affect your insurance prices

Did you know your credit history can affect your insurance premium? Insurance companies use myriad criteria when they screen potential customers to determine their policy prices and, while it’s not the sole item, credit history certainly is one of them.

While it is unlikely that any single action you can take will affect your score or insurance premiums immediately, you can improve your future credit score over time. But, there are things you can do now to improve them in the future. These include:

- pay your bills on time; delinquent payments and collections can have a major negative impact on your score;
- pay down your balances; high outstanding debt can affect your score; and
- apply for new credit sparingly.

Each time a credit score is calculated, specific reasons are delivered along with the score. You should check your credit history every year. Once you have received your score, you can ask for the reasons that came back with your score. These reasons, which are listed in order of importance, represent why your score was not higher. Addressing them is likely to result in an improvement in your score.

Payment of overdue bills in full does not remove your payment history, but over time information can improve and issues that have been addressed will eventually pass. The length of time such information remains on your credit file is as follows:

- credit and collection accounts—seven years from date of last activity;
- courthouse records (judgments, liens and bankruptcies)—seven years from the date filed; Chapters 7 and 11 remain on file for 10 years from date filed;
- satisfied judgments—five years from date filed; and
- paid collections—five years from the date of last activity with original creditor.

If you find errors on your credit report, make sure you contact the major credit bureaus and tell them about the mistakes. The three major reporting companies: Equifax (800) 685-1111, Trans Union (800) 916-8800 and Experian (888) 397-3742, all have procedures for correcting information promptly.

You are entitled to have incomplete or inaccurate information corrected without charge. The credit bureau must reinvestigate within a “reasonable period of time” if there is a dispute,

Index

Garage sales and insurance?.....	2
Do you have a home inventory?	2
Floods can happen anywhere, anytime.....	3
At-home businesses have unique insurance needs.....	4
News from our agency	4

unless the dispute is “frivolous or irrelevant.” If the disputed item cannot be verified, the credit bureau must delete it. If it is incomplete, they must complete it. Also, at your request, the credit bureau must send a notice of the correction to any creditor who has checked your file in the past six months, and you are permitted to file a statement of explanation if the reinvestigation does not resolve the dispute.

Remember, you have power to affect your policy. Paying your bills promptly and making sure your credit report is accurate is one way to do it.



Garage sales and insurance?

There's more to a garage sale than organizing the items you no longer want (someone else's treasure); putting them in your front lawn; and posting signs in your neighborhood. Don't forget to check your homeowners or renters insurance policy.

That's right. Most standard homeowners and renters insurance policies provide liability protection, which offers you coverage if someone is injured on your property or causes damage to your property. But, why not give our agency a call to make sure you have all the necessary coverages in place? The last thing you want is to have to pay someone's medical fees when you were just trying to clear a little space in your attic or basement.

To avoid any potential injury, make sure your property is in good shape. Repair anything that might fall on someone or anything someone might trip over and fall. Keep sharp objects out of the reach of children and don't sell anything that you know is unsafe or hazardous. And, keep your pets inside during your sale.

Keep in mind, while a one-time yard sale should be covered under your homeowners or renters insurance policy, if you plan to host frequent yard sales or use a yard sale as a fund raiser for charity, just double check with us first. Once an activity becomes for-profit, even if it's a "hobby," it can void a homeowners insurance policy, so you might need special coverage.

Do you have a home inventory?

"You look like the honest sort. No, really; if you say you had a 100" flat-panel TV before the fire, we'll just cut you a check," said no insurance company ever.

Your homeowners policy is designed to cover household belongings should they be lost to fire or theft. But, without a detailed listing of your valuables, how is an insurer to know exactly how much to reimburse you?

That's why a home inventory is so important. It's a practical way to ensure that everything you own is protected fully from loss. It gives your insurer a record that helps determine the amount of your loss, assures that you receive appropriate reimbursement and can accelerate the claims process.

Creating a home inventory is easy and requires only a few simple steps.

1. **Start writing.** List all of your major belongings and furnishings, room by room. Include items tucked away in drawers and hidden in storage. Don't forget to provide a brief description of any big-ticket items, noting details such as purchase price, serial numbers, etc.
2. **Produce records.** Back up your inventory list with receipts or appraisals when possible. Take photographs of your belongings, noting the date and shown contents on each picture. Or, you can videotape each room, describing the contents as you go.

3. **Store it offsite.** It wouldn't be helpful to keep your inventory in your home—what happens if a fire destroys everything, including your records? Make copies of your list, receipts, photos, etc., and keep them in a safe-deposit box or with a relative.

4. **Update regularly.** Be sure to update your inventory as you acquire new items, particularly those of high value. Also, it is essential to conduct a new inventory whenever you move into a new home.

You also can use a camera or video recorder to take photos or videos of your rooms (remember to open drawer and cabinets). There are a number of apps available to help you make a digital records of your inventory, including: Know Your Stuff®—Home Inventory, the Insurance Information Institute's free online home inventory software or the free MyHome Scr.APP.book from the National Association of Insurance Commissioners. Both of these apps are available on iTunes.

Be aware that policies generally limit the amount of coverage on certain possessions (e.g., jewelry and silverware) and may not be adequate protection for other possessions (e.g., cameras and fine arts)—consider purchasing additional insurance on these items. Give us a call today for more information and the best advice on your personal insurance needs.





Floods can happen anywhere, anytime

Spring is prime time for flooding. Torrential rain, snow melt and mud slides can all cause flood losses and unless you have flood insurance, you probably are not covered for these potential catastrophes. Generally, coverage provided by a standard homeowners policy does not include damage caused by flooding or mud slides. This type of damage could be extremely destructive to your property and without the proper insurance coverage, you could be devastated financially. Floods can happen anywhere, anytime—not just near the coast, lakes and rivers.

You can help yourself prepare for flooding by heeding storm warnings and follow any evacuation procedures such as boarding up windows, shutting off utilities and preparing an emergency kit that contains food and water, a portable can opener, clothing, blankets, flashlights, first-aid supplies, battery-operated radio and extra batteries.

Also, maintain a current household inventory of your property and possessions and keep it in a safe place such as a safe-deposit box. An inventory is useful should you need to file an insurance claim. (See related article in this publication on how to create a home inventory.)

Then call our agency. The Federal Emergency Management Agency's National Flood Insurance Program offers flood insurance to people throughout the U.S. Typically, an NFIP policy includes coverage for: removing contents; sand bagging (to reduce damage); repairing flood damage and rebuilding; clearing away debris and mud; and compensating for personal belongings.

What about flooding caused by seepage of water into a basement? First of all, check with us to make sure your definition of a basement

“...while many people think homeowners insurance will pay for flood repairs, it does not.

matches FEMA's definition. An NFIP policy covers the “unusual and rapid accumulation or runoff of surface waters ...” So, if there is no surface water, there is no coverage. Water that “seeps or leaks on or through the covered property” is only covered “if

there is a flood in the area and the flood is the proximate cause of the ... seepage of water.” There is no coverage for damage in basements when caused by groundwater seepage, but there is coverage for specific items that service the home (e.g., furnaces, fuel tanks, sump pumps, electrical circuit breakers and staircases). In addition, if contents are covered on the policy, there will be basement coverage for portable air-conditioning units, washers/dryers and food freezers.

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. 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! Unfortunately, too many homeowners find out too late that their insurance policy does not cover flooding. As your professional, insurance agent, we want to remind you that the time to purchase flood insurance is sooner rather than later.



At-home businesses have unique insurance needs



Are you one of the approximately 40 million Americans who operate a full- or part-time business from your home? Or are you thinking of joining their ranks?

If you answered yes to either of these questions, have you given a thought to insurance?

If you answered no to the last question, consider this: While most people believe their homeowners policy will cover their at-home business, the truth is, depending on your insurance policy, your current policy may only cover up to \$2,500 for business equipment in the home 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.

Don't think that's enough coverage? Give our agency a call. We can review your business requirements and tailor a business insurance policy to fit your needs and the needs of your business.

You may be able to simply add a home business endorsement to your existing homeowners policy and get insurance coverage for business property; business liability, including product, personal injury and advertising liability; loss of business income protection; valuable papers coverage; and accounts receivable.

But since each business is unique, there are other insurance options we'd be happy to discuss with you. For example, if you run a business like a day-care facility out of your home, there are other insurance options and coverages you should consider. And, are you using an automobile for your business? You should purchase an additional auto insurance policy to make sure you're covered on business-related errands.

There are a lot of questions when it comes to insuring your home business, and we've got the answers. Don't wait until you have a business-related claim to find out you don't have the proper coverage. Give us a call today.

News from our agency

Ch-ch-changes may mean insurance updates

You've heard the old saying: The only sure thing in life is change. Please keep us up-to-date on any change of circumstances in your life that may affect your insurance. Staying in touch allows us to keep you adequately covered.

Let us know if you recently:

- married;
- retired;
- separated or divorced;
- sent your child off to college;
- reduced your commute to work;
- added another room to your house or completed other renovations;
- quit smoking;
- made an expensive purchase that may need additional coverage; or
- added safety features to your house or car.

As your professional insurance agent, we're looking out for you. Give us a call if any changes have occurred in your life.

