

# Insights & Updates

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## Delivering food? Do you have the right coverage?

Food delivery services like Uber Eats and Door Dash offer restaurants options for their delivery services. These services will provide the driver for these restaurants. Of course, those who are thinking about delivering for one of these services should stop to consider the insurance implications before doing so.

New York state has a law that requires ride hailing companies to provide certain coverages and limits to drivers. However, the state doesn't have a similar law that applies to food delivery companies. This has led to much more variability in the amount and availability of coverage for food delivery drivers.

Many personal auto insurance policies do not provide coverage if the driver is using the car for food delivery. This means there is no protection for the driver's injury in an accident, the driver's

(for owners) liability for an injury or property damage to others caused by the driver and damage to the driver's vehicle. If that is the case, where might the driver find coverage?

Most food delivery services provide insurance on behalf of the driver, which may include coverage for bodily injury and property damage liability, uninsured/underinsured motorists and contingent comprehensive and collision coverage. You will find limitations and restrictions in these policies; for example, coverage may vary depending on whether the driver actively is delivering food or available to receive a delivery request.

Generally, if comprehensive and collision coverage is provided by food delivery services, it applies only if the food delivery driver has that coverage on his or her personal auto policy. Be aware that in New York, Uber Eats does not provide any coverage at all. However, there are two ways in which drivers might protect themselves when acting as food delivery drivers. First, many insurance companies offer an endorsement covering delivery services (including food) for additional premium. Second, you may wish to look at purchasing a commercial insurance policy. Typically, these policies will provide more robust coverage, but can be more expensive than an endorsement on a personal policy.

If you are thinking about acting as a food delivery driver, please contact our office to discuss your insurance options.



# Boats need their own coverage

**100 million**  
Americans go boating  
each year.

Americans spend  
**\$49.3 Billion**  
on **boats, marine**  
**products** and  
**services** each year.

**Common Boating**  
**Insurance Claims:**  
weather, hitting sunken  
objects, fire, injury,  
collisions and theft.



Summer is almost upon us. Are you thinking of purchasing a boat to take advantage of beautiful weather days on the water? After you've looked at the brochures and visited the boat shows, don't forget to give our agency a call. There are specific insurance questions you should answer before you sign on the dotted line. While a boat is considered personal property, coverage under your homeowners insurance policy will be limited for watercraft.

A typical homeowners policy covers liability for damage to property and bodily injury to others when the owned watercraft is a sailboat under 26 feet, or when the owned watercraft is powered by engines or motors of 25 horsepower or less.

In addition, the homeowners policy will have specific limits on the amount of coverage for watercrafts and their trailers, as well as gaps in covered perils like theft and sea perils—including sinking, stranding, running aground and collision.

After one of these events happens it is too late to discover you don't have the proper insurance coverage for the loss. Watercraft owners will be better served

by a policy specifically designed to cover the lawsuits and potential physical damage arising out of owning a watercraft. When selecting a policy or checking existing coverage, look for limits of navigation—where the watercraft can go and still be protected by the insurance policy. Check also if there is a “lay-up period”—a time when coverage is suspended as the boat is assumed to be in storage for the winter months.

Also important in a watercraft policy are adequate limits of liability insurance and provisions for insuring sails, spars and other property in the watercraft.

If coverage suspension is not automatic for winter months, some insurance companies will allow you to pause your insurance while it is in storage, but you should make sure you have the proper coverage to protect it during this time, too.

We can help you figure out the coverage you may need. Remember, if your insurance company allows you to suspend the coverage, don't forget to reinstate it before the next season.

If you have the proper insurance coverage, you are more likely to have smooth sailing, even if the weather doesn't cooperate.

# Inflation, construction & homeowners insurance



All homeowners should brace themselves for sticker shock next time their homeowners policy is up for renewal. Inflation's effects on the construction industry and the broader economy extend to premiums charged on insurance policies. While it may cost more now, the increases protect you from being underinsured later. Your homeowners insurance policy is structured to cover the costs related to damage to your home. These include the costs to repair the damage, replace lost items, and costs of temporary accommodations, if necessary.

All these expenses have increased in the last two years, forcing insurance companies to increase the premium on your insurance policies. Should you need to file a claim for repairs, your policies do not include unlimited coverage.

Within the policy are limits reflecting the amounts you originally chose for coverage. These limits need to be increased to ensure that your policy would cover everything as you would

expect following major damage to your home. The limits need to increase to adapt to drastic expected increases in the costs of repairs and rebuilding homes.

The Commercial Global Real Estate's Construction Cost Index forecasted a 14.1% increase in construction costs by the end of 2022 with labor and material costs fueling the increases. Homes are complex to insure with the costs of lumber, plumbing, roofing, HVAC systems, glass, and numerous other factors all going into the price predictors for insurance purposes.

Increased costs for all these materials and rising wages for all the necessary workers must be reflected in the coverage limits for your homeowners policy, increasing premiums in the process.

Early forecasts suggest these costs may stabilize in 2023 and 2024. The sheer number of variables that go into replacing a house still may result in certain material costs varying more than expected, although a more stable market should limit the overall increases in future

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replacement costs. Similar factors go into the pricing of automobile insurance coverage, causing those premiums to increase significantly in the previous two years. With insurance pricing based partly on data from previous years, premium increases may continue to increase at a rate that may shock you and your family.

While carriers of all sizes in the state are increasing their premiums to reflect the increased costs, you should still call us to discuss your options and find a policy that best fits your needs.

# Bed bugs?

Prior to the pandemic it seemed like there were many news stories about bed bugs. Now that people are starting to travel again, it's a possibility again. No one wants to think about it—you're probably getting itchy right now.

However, have you considered what you would do if you went away on vacation and brought back bed bugs as an unwanted souvenir?

If your answer is: "Well, I would submit an insurance claim for bed bug remediation." Surprise! A homeowners insurance policy doesn't cover bed bugs—or any type of pest (e.g., termites or carpenter bees).

This is because these types of infestations are considered a home maintenance issue—and insurance companies won't cover preventable hazards. So, treating a bed bug infestation

could cost around \$1,000-\$2,500—for larger houses it could be \$5,000. If you suspect you have an infestation in your home, call an exterminator quickly. Instead, your best defense is a good offense. Don't bring the bugs home. When you are traveling, inspect your hotel room, home share or wherever you are staying carefully.

Examine your bed and its linens—check cracks, crevices, folds, and ruffles. Don't put your suitcase on the bed—use the metal suitcase rack when it's available. If you suspect your room is infested, ask to change to a room in a different area of the hotel.

## When you get home

Inspect your suitcase—outdoors or in the garage is best—but away from furniture and sleeping areas. It's best to



steam clean or vacuum your bag before you put it away. To kill any bugs you may have missed, wash your clothes—even the clean ones—on a high-heat setting, and dry for at least 30 minutes. Now, stop scratching, and go book your trip.

## News from our agency

### Does your insurance policy need change?

You shouldn't be expected to determine your insurance coverage limits, deductibles, and premiums without advice.

As premiums rise, it might seem like dropping coverage can save you money, but it might cost you if you submit a claim. We can review other questions you may have about insurance policies.

If you have policies with another company or agency, we will look those over with you, too.

