

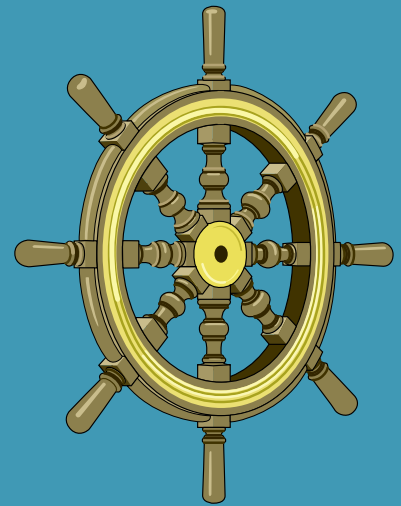
The Insurance Advocate Newsletter



Insurance Advice For Our Clients

A Service Of:

Great River FINANCIAL SERVICES



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May 2011



inside

Your Home Business	_____	pg 2
Is My Car Totaled?	_____	pg 2
NHTSA's New Ratings	_____	pg 3
Insuring Special Property	_____	pg 3
Business Insurance	_____	pg 4

Underride Guards On Trucks Not Making The Grade

Underride accidents occur when a passenger vehicle collides with the rear or side of a large commercial vehicle or trailer. The passenger car can then travel under the chassis of the larger vehicle with devastating consequences. This type of accident often leads to severe head and upper-body trauma and even death.

In 1996, the National Highway Traffic Safety Administration (NHTSA) issued requirements designed to reduce the number of injuries and fatalities resulting from the collision of passenger vehicles with the rear ends of heavy trailers and semitrailers. Along with underride guards, vehicles and trailers were also equipped with more lighting and reflective decals on the rear to increase visual recognition. These requirements applied to new vehicles or trailers manufactured after 1998, but left many older units with little or no protection.

New crash tests by the IIHS show that underride guards can fail at relatively low speeds. In 2009, 70 percent of the 3,163 deaths from large truck crashes were occupants in passenger vehicles. According to IIHS president Adrian Lund, "You might be riding in a vehicle that earns top marks in frontal crash tests, but if the truck's underride guard fails, or isn't there at all, your chances of walking away from even a relatively low-speed crash aren't good."

Experts from the NHTSA tell us that when large trucks and trailers park along roadways, underpasses, or near commercial facilities, it introduces the potential for passenger vehicles to collide with the rear ends of these larger vehicles leading to a greater number of underride accidents. They feel that greater law enforcement regarding the parking of these vehicles could reduce fatalities significantly.

The Insurance Institute for Highway Safety has petitioned the federal government to require stronger underride guards and to apply the requirements more vigorously. Underride accidents will continue to happen, but hopefully rates will decline as many older vehicles, that are not equipped with improved guards, leave service and are taken off the roads.



Water Water Everywhere

While we all look forward to the spring thaw, it is unfortunately associated with a greater potential of flooding related to melting snow and spring rains.

We have already experienced significant flooding this year so we thought it would be a good time to take a little refresher course on how insurance deals with the hazard of flooding.

To start, let's consider flooding as it relates to the

National Flood Insurance Program. The NFIP defines a flood* as "a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties...." This temporary inundation can be from an overflow of inland or tidal waters, unusual and rapid accumulation of surface waters, mudflow, and collapse of land along a shore caused by waves or currents exceeding anticipated cyclical levels.

*further defined at www.fema.gov



A continuing series of articles exploring different claim scenarios and a discussion of how it may or may not be covered

Rodent Damage

The policyholder's vehicle would not start, so it was taken to a repair garage. Upon inspection the mechanic reported that the only damage he could find was that it appeared that the wiring harness had been chewed through by an animal.

The policyholder didn't think that this damage was covered by his insurance - after all, there was no collision, theft, or fire. There was no accident.

At the urging of his mechanic the policyholder called his agent finding out that coverage for the damage did exist. Coverage was found in the "comprehensive" (also referred to as "other than collision") section of the policy.

If the wiring harness had simply failed it would be considered mechanical breakdown and there would be no coverage. Since damage by animals is not excluded in the policy, and there was no other evidence of another cause for the damage to the wiring, it was determined that rodent damage was the direct cause of loss and payable under the auto policy.

Driving In Flood Prone Areas

Avoid already flooded areas and areas subject to sudden flooding. Do not attempt to cross flowing streams. Most flood fatalities are caused by people attempting to drive through water or people playing in high water. The depth of water is not always obvious.

The roadbed may be washed out under the water, and you could be stranded or trapped. Rapidly rising water may stall the engine, engulf the vehicle and its occupants, and sweep them away. Look out for flooding at highway dips, bridges, and low areas.

The lateral force of a foot of water moving at 10 miles per hour is about 500 pounds on the average automobile. The greatest effect is buoyancy - for every one foot of water 1,500 pounds of the car's weight is displaced. Two feet of water will carry away most automobiles.

If you are driving and come upon rapidly rising waters, turn around and find another route. Move to higher ground away from rivers, streams, creeks, and storm drains. If your route is blocked by flood waters or barricades, find another route. Barricades are put up by local officials to protect people from unsafe roads. Driving around barricades is not only foolish but also very dangerous.



Flood Insurance cont. from page 1

While your homeowner policy provides coverage for many different perils, flood is excluded. The National Flood Insurance Program provides flood coverage through their single peril policy. The flood policy can provide up to \$250,000 of dwelling coverage and/or up to \$100,000 in contents coverage. It is up to you whether you choose to purchase both dwelling and contents coverage.

The building insurance provides coverage for the building, foundation, plumbing, and electrical systems. Permanently installed carpeting over an unfinished floor, refrigerators, cooking stoves, and built-in appliance such as dishwashers are also covered. Up to 10 percent of the building property coverage extends to detached garages. Detached buildings other than garages require their own coverage. Also covered under building coverage is the cost to remove debris.

The personal property insurance provides coverage for personal items such as furniture, clothing, curtains, portable appliances, clothes washers and dryers, and food freezers including the food in them. Items of special value such as artwork and furs are limited to \$2,500 in total per loss. If you have

more than this limit of these special items it is advisable to purchase a personal article floater that can be endorsed to your homeowner policy.

Flood insurance coverage is limited to some extent for areas below the lowest elevated floor depending on the flood zone and the date of construction. These restricted areas include crawlspaces, enclosed areas beneath buildings elevated on full story foundation walls (sometimes called walkout basements), and enclosed areas under other types of elevated buildings. Coverage is also limited in basements regardless of flood zone or date of construction.

Coverage for basements and areas below the lowest elevated floor extends to the foundation walls, central air conditioners, cisterns and the water in them, drywall on walls and ceilings in basements only, electrical outlets, switches, circuit breaker panels, fuel tanks, and their fuel. Also covered are water tanks and their pumps, furnaces, hot water heaters, heat pumps, and sump pumps.

In areas below the lowest elevated floor, personal property insurance covers washer and dryers, food freezers and the food in them, and portable and window air conditioners.

If you feel you are in need of flood insurance please give our office a call.

Spring Brings Out The Bikes



Motorcycle riding has become more popular in recent years, appealing to a wide array of enthusiasts. According to a recent study there are 7.7 million motorcycles on the road. Motorcycle fatalities have increased steadily over the last decade with a dramatic jump in deaths among motorcyclists aged 40 and older.

Motorcyclists and their passengers are much more vulnerable to hazards than are operators of closed vehicles. Motorcyclists were 39 times more likely than passenger car occupants to die in a crash. The fatality rate for motorcyclists was 6 times the fatality rate for passenger car occupants. According to the National Highway Traffic Safety Administration over 100,000 motorcycles were involved in crashes in 2009, the most recent year with full statistics.

Speeding was a contributing factor in 35 percent of motorcycle fatalities. Almost 30 percent of motorcycle riders involved in fatal accidents were legally intoxicated. According to the Insurance Institute for Highway Safety (IIHS), riders of “supersports” motorcycles have driver death rates nearly four times higher than for drivers of other types of motorcycles. These bikes, capable of speeds up to 190 mph, are built on racing platforms and are then modified for street use.

According to the Insurance Institute for Highway Safety, 20 states had laws requiring all motorcyclists to wear helmets as of January 2011. In another 27 states only people under a specific age (mostly between 17 and 20 years of age) were required to wear helmets.

The National Transportation Safety Board asked states to reconsider enacting mandatory helmet laws for adults, claiming that not wearing a helmet increases the chance of brain injury by 66 percent.

Backup of Sewers & Drains

Fall and spring tend to be our wettest seasons making our homes most susceptible to the backup of sewer or drain lines. While backups are not an every day occurrence, when it does happen it can be a nightmare. Did you know that a standard homeowner insurance policy excludes coverage for such an event?

The damage you sustain from a backup will not be covered and you are responsible for the clean up. There is an endorsement that can be added to your homeowner policy for a reasonable premium. If your basement is finished you should consider asking us about this coverage. Without this endorsement you will be liable for all the resulting damages.

Backup occurs from many types of circumstances ranging from heavy rains to power outages. A storm sewer or sanitary sewer usually backs up through your sump well or other drains in your basement, but can come up anywhere in your house where there is a connection to a drain or sewer. Typically, sump well backups result from a power failure. Unfortunately, power outages occur most often during bad storms when the sump pump is needed the most.

The damage can be costly as just about everything that water or sewage comes into contact with can be destroyed. With or without insurance coverage you will want to move quickly to save what can be saved. Restoration specialists can work wonders on water damage.

This endorsement can be added to your policy for a reasonable charge. This coverage is not automatic and is different from one company to the next. Call us if you have any questions about how this endorsement may be applicable to you.



Springtime Brings Spring Chores



Home Maintenance Hints for Spring

- Inspect and test smoke detectors. Change the batteries. Make sure you have at least one detector on each floor.
- Verify that light fixtures have the bulb wattage recommended by the manufacturer.
- Check electrical outlets for fire hazards such as frayed wires, loose fittings, or overloads.
- Keep a multipurpose fire extinguisher accessible, filled, and ready for operation.
- Have your air conditioning system inspected by a professional.
- Check for roof damage and clean gutters and downspouts.
- Check water heaters for leaks and corrosion.
- Clean or replace your furnace filter.
- Clean the clothes dryer exhaust duct and space under the dryer. Remove all lint, dust, and pieces of material.
- Remove deadfall or dead trees and trim foliage away from utility wires.
- Store oil and gas for lawn equipment and tools in a vented, locked area.
- Repair cracked, broken or uneven decks, patios, driveways, and walkways.



Avoiding “Willful” OSHA Citations

A willful violation is defined by OSHA as “one committed with an intentional disregard of, or plain indifference to, the requirements of the Occupational Safety and Health Act and regulations.” Depending on a variety of factors, inspectors will conduct either a comprehensive or partial inspection. The consequences of such an inspection can be dramatic, especially if a willful violation is found and cited.

WHAT TRIGGERS AN OSHA INSPECTION ?

- A reported situation presenting imminent danger to the health or safety of employees
- A fatality or other catastrophic event
- A response to employee complaints
- A regularly scheduled inspection

To avoid willful misconduct that might give rise to your company being cited, consider the following:

1. Does your company have anything to gain by non-compliance? Be careful not to sacrifice safety for production goals.
2. Could your company have known about safety hazards before an inspection? Make sure that you have documented and responded appropriately to any reports or safety concerns.
3. Is your company meeting the knowledge expectations of your industry’s safety standards? If you have been subject to industry or OSHA attention, the standard for you may be much higher.

Staying abreast of safety issues affecting your industry will allow you to avoid violations and help your operation to be more efficient and profitable.

Newly Acquired or Constructed Property

One of the extensions of coverage found in the commercial property policy is coverage for newly acquired properties. There are, however, some restrictions. If you buy a building at a new location and then use the building in a similar way to the building already described in your policy you will have automatic temporary coverage. The policy typically provides up to a \$250,000 limit per covered building, even if the building already on the policy is insured for less.

If you construct a new building on your described premises, this coverage extension covers that building temporarily. There are a number of considerations for which it is advisable to carry special construction coverage. You need to contact your agent at the start of the construction or purchase of a new building to ensure you are properly covered.

The second part of this coverage extension allows up to \$100,000 coverage, regardless of your stated personal property limit in your policy, for business personal property at a newly acquired location. Older policy forms, some of which are still being used by certain companies, limit the coverage to 10% of the described personal property limit or \$100,000.

This coverage extension is for a period of 30 days. The 30-day limit starts when you acquire or begin to build a new property. The extension period ends either at 30 days, at policy expiration, or when you report the values to your insurer.

