

DURFEY-HOOVER-BOWDEN NEWSLETTER

SERVING NORTH CAROLINA SINCE 1937

KNOWLEDGE.

This is a sample of the newsletter that we choose to write in house. We focus on issues that are relevant to our customers and to our community.

We use it as an additional way to reach out about cur-

DEDICATION.

rent issues and questions we have been hearing from our customers. Insurance regulations are set at the state level. Information given to consumers on a national level is often too vague to be of great use or can talk of coverage/benefits not avail-

DEPENDABLE.

able in our state.

If this sort of personalized attention is important to you and would like a second opinion on your current coverage, please give us a call. There is no pressure and no obligation.

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As independent agents, we represent a number of fine insurance companies.

Including



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GOLF CARTS & OTHER SELF PROPELLED VEHICLES MAY NOT BE COVERED ON YOUR HOMEOWNERS POLICY

There is an easy test to see if your self propelled vehicle is covered on your homeowners policy. Are you having fun? If so, its not covered. Well, that isn't exactly the case, but the protection provided by your homeowners policy is very limited.

Property Coverage:

You have property coverage for owned "motor vehicles" that are not required to be registered for use on public roads or are either used to service an insured's premises or designed to assist the handicapped. If your home were damaged in a fire, your riding lawn mower and electric wheel chair would be covered. It leaves a big gap for many other vehicles.

Liability Coverage:

You have liability coverage for the same types of vehicles covered by your property insurance. Coverage for your liability from using

any other vehicle is going to be limited. Liability arising out of the use of vehicles designed for use off public roads (ATVs, Power Wheels, Dirt Bikes, Go Carts) is covered as long as the vehicle is being used on an insured location. Your liability coverage ends at your property line. If you live in Raleigh and have a half acre lot, this is going to make for a disappointing afternoon on your ATV. Golf Carts get a little broader coverage and their liability coverage is extended to include their use on golf courses and in private residential communities that allow golf carts.

How to I get coverage?

Many of these issues can be resolved by adding the vehicle to your auto policy or with an endorsement to your homeowners policy. If

you have an exposure, give us a call and we can discuss the best way to handle it.

Storage for Autos

If one of your cars isn't listed on your auto policy, you only have liability coverage on your homeowners policy if the vehicle is in "dead storage" on an insured location. There is no coverage for physical damage.

Exactly what "dead storage" means has been debated in the courts. In one fairly recent case, a prospective buyer asked an owner to start a vehicle that was up for sale. The owner's foot slipped off the clutch and pinned the buyer against the vehicle in front of them.

The insurance company denied coverage and the courts upheld the decision. If you can start the car, it isn't in dead storage.



SPECIAL EVENT COVERAGE

IT'S A PARTY! WHO BROUGHT THE INSURANCE?

It is 1am in the morning after your wedding and you are recalling the events of the most memorable evening of your life. Unfortunately, you are recalling them with the fire department trying to explain how the candle at table 12 ignited the centerpiece and lead to a fire that spread and destroyed the banquet hall. On top of this, the venue hall is now looking to you to pay for the repairs. What now?

Whether celebrating a graduation, anniversary, baby shower, or a wedding, a homeowners policy provides good protection for your liability arising out of your hosting non-business events. Major liability issues such as bodily injury to guests, fire damage to rented premises and host liquor liability can often be covered under your homeowners or umbrella



policies.

So what does Special Event Insurance do?

There are a few reasons to consider getting a separate policy to cover your special event rather than just count on the protection provided by your homeowners. We will take a look at a wedding insurance policy as an example.

Additional Insured

There are some venues that will require that you add them as an "additional insured" on the liability coverage for the event. This means that your policy will protect them for liability arising out of having your event. This is a common request for business insurance, but is not available on a homeowners policy. A wedding policy will allow you to meet this requirement.

Bells & Whistles

A wedding policy will throw in extra coverages for things not covered under a standard policy. These policies can include coverages for such things as a lost wedding dress,

ruined photos, postponement due to severe weather/illness and more.

One Central Point of Coverage

One single occurrence can bring in a great number of people into a claim. When counting on coverage from a policy of the bride, groom, and both sets of parents as the insurance companies fight amongst themselves to see who is going to pay. A wedding policy allows for one central policy to handle the claim and remove added frustration for the new family.

Other Concerns

Business

Your homeowners policy will not provide coverage if the event is related to something you do for economic gain.

Have Questions?

If you have an event coming up and have questions, give us a call. We can discuss your options.



Your umbrella and homeowners policy provide liability protection for many personal events like weddings.

Damage to a Rented Premises

Homeowners: Covers liability arising from fire damage

Umbrella: Many umbrella policies do not include this limitation and coverage can expand to include water damage, vandalism and more

COMMON CAUSE OF LOSS

WASHING MACHINES

One of the most common causes of loss for the typical homeowner is also one of the easiest to prevent. Washing machine hoses remain pressurized at around 70 psi. It is not a matter of if the hose is going to break, but when.

A broken hose can discharge

up to 650 gallons of water per hour into your house. This causes millions of dollars of damage a year.

We recommend replacing your washing machine inlet hoses with "no-burst" stainless steel mesh hoses. You can purchase these at the local hardware store. These hoses will reduce the chance of a

loss in the future. If you are going out of town, you can also turn off the water to the washing machine as an extra precaution.

You should also make sure everyone in your home knows where the main water shut off valve is located.

Proactive Protection For Your Home



CUSTOMIZED VEHICLE EQUIPMENT

It is becoming common to find autos with very valuable aftermarket equipment. This can include everything from upgraded engine parts to new wheels, to complicated electronic equipment. Permanently attached DVD players,

stereos and even video game consoles are being installed in many different areas of vehicles.

The NC Auto policy does not give automatic coverage for the increased cost of these upgrades and limits the

amount of coverage available for aftermarket electronic equipment installed outside the dashboard. We need to add them to your policy by a special endorsement.

If you have an exposure, give us a call to find out more.

NON-RESIDENT OWNERS & THE HOMEOWNERS POLICY

Your homeowners policy is designed to cover the dwelling "where you reside." If you no longer live there, you have some coverage issues and may need another type of policy. The following are issues that can arise with a homeowners policy.

Vacant

If your home is vacant for more than 60 days, you lose coverage for glass breakage,

theft, vandalism and malicious mischief. You will also lose coverage for frozen pipes if you did not take appropriate steps to prevent freezing (such as shutting off the water supply).

Rental

If you rent your entire home to someone else on a permanent basis, you can lose coverage for both your dwelling coverage and liability cover-

age.

Where You Reside

The homeowners policy language specifying that coverage is only for "where you reside" can also have major implications for people who have their home for sale, have moved into a nursing home, put their home in an LLC and others. If you think you might have an issue, give us a call so we can work for a solution.

IF YOU DO NOT RESIDE IN THE HOME, A HOMEOWNERS POLICY CAN HAVE MAJOR GAPS IN COVERAGE.

KEEPING HOMEOWNERS IN CHECK

The NC homeowners market continues to struggle. Despite the changes passed by the NC Legislature to try and stabilize the homeowners market, North Carolina insurance companies are still losing money when writing homeowners policies.

Rates in NC have been very competitive for many years. In their drive to get more customers, companies kept rates too low and many are now finding that they are not bringing in enough to pay their claims. They have a state full of policies with pricing at a point that has proven to be unsustainable. Insurance companies have even been losing money in years when we do

not have hurricanes. Disaster prone states like NC are expected to be profitable for companies in years with little hurricane activity. This allows the companies to be able to pay for the massive losses that occur when storms hit.

As rates across the state continue to increase, there are some things you can consider to keep your insurance premiums down.

Auto/Home Discount

This is one of the biggest things you can do to lower costs. Auto insurance continues to be very desirable for nearly all companies. You get a substantial discount on the homeowners policy if they

can offset their risks with an auto policy.

Higher Deductible

If you have a deductible of \$500 or less, consider increasing it to \$1,000 or \$2,500.

Home Valuation

The insurance company may adjust your dwelling value every year to account for inflation. Their methods are not perfect. Occasionally values can get higher than necessary, especially when our recent market downturn is factored into the equation. If you think your dwelling limit is high, give us a call and we can rerun a cost estimator on your home.



EARTHQUAKE

Many North Carolina residents were shocked when they felt the tremors from the recent earthquake. Few people realized that we are close to a large fault line in Virginia. Did you know that there is a much larger fault line along the coast in South Carolina? Even our own state is filled with smaller fault lines. An earthquake strong enough to damage your home is unlikely, but it is possible.

Earthquakes are excluded from the standard NC Homeowners policy. It is a separate coverage that few people in North Carolina purchase.

How does coverage work?

You can add this coverage to your homeowners policy by a special en-

dorsement. Cost for this coverage will depend on how likely your area is to have an earthquake and how prone your building is to damage. Wood frame buildings are thought to be a bit more resilient to earthquakes while masonry and masonry veneer buildings are more susceptible due to their rigidity.

Earthquake coverage has a high deductible of at least 5% of your coverage amount. This means that if you have a home covered for \$300,000, your deductible will be at least \$15,000. There may be also waiting period before you can buy coverage. Once an earthquake is registered in an area, insurance companies will not allow you to add the coverage until they feel that there is no longer a risk of aftershocks.

A separate assessment coverage is also

available if you are part of a homeowners association that could assess you for damage done to buildings insured through the association.

What to do in an Earthquake:

Do you know what to do in an Earthquake? It seems that many people in our community are under the impression that the first step to take during an earthquake is to run under a doorway or log onto the nearest computer and post about it on facebook. FEMA does not list either of these in the safety guide. Their Earthquake Safety Guide lists the following recommendations:

Indoors – Stay Indoors, “Drop, Cover, and Hold On.” Get out of the kitchen or other areas where things may fall on you. Get under a sturdy table and hang onto it or against a wall. Standing in a doorway is likely to get you hit by a wildly swinging door or run over by people trying to get by.

Outdoors – Get into the open. Look out for things that could fall on you such as chimneys or power lines.

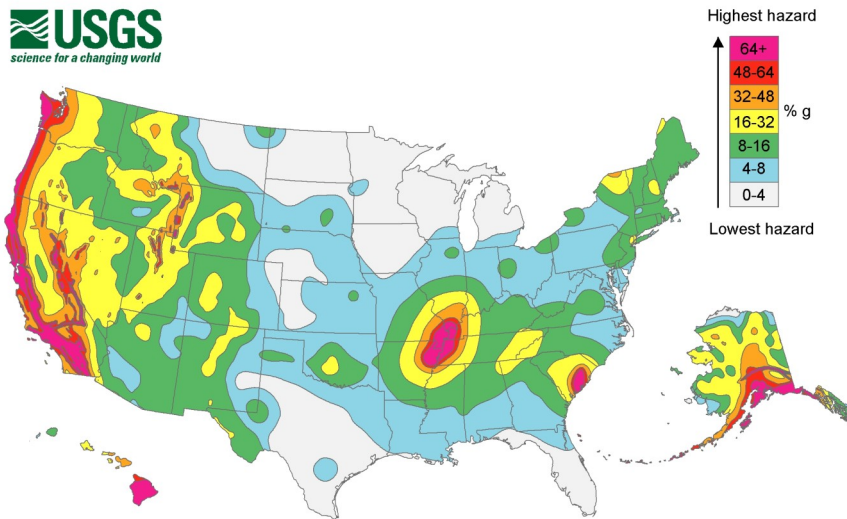
Driving – Stop your car as far out of traffic as possible. Avoid parking near trees, power lines, bridges or signs.

You can find a full copy of FEMA’s Earthquake Safety Guide for Homeowners on FEMA’s website:

<http://www.fema.gov/>

Give us a call if you would like a quote on your home.

USGS National Seismic Hazard Map



OUR PROMISE TO YOU

We’re in the same business today that we were in over seventy-five years ago: providing personal and commercial insurance and sound insurance advice to the Raleigh/Research Triangle Area.

As independent agents, we represent many companies and choose from

among those companies the ones that best suit you.

Business consolidation and impersonal relationships are becoming the industry standard. “In an effort to serve you better,” you are forced to navigate an automated phone menu, dig through

an online FAQ and wait in large holding pools just to hear a message telling you why your party can’t take your call now. You will find dealing with us to be refreshingly different. We promise to provide prompt, personal attention to your insurance needs.