

Insurance Update



VOLUME 7, ISSUE 1

JANUARY — MARCH 2013

PERSONAL INSURANCE

Learn The Facts, Then Consider Flood Insurance

Have you considered buying flood insurance?

Before you answer “no” and add, “Why would I need that?” or “I don’t live anywhere near a river!” you should know that many home and business owners have offered similar responses and then gone on to suffer uninsured flood damage.

Before you decide not to purchase flood insurance, you owe it to yourself to learn some facts:

- **A little water can cause a lot of damage.** According to the FEMA-sponsored website FloodSmart.gov, only 3 inches of water in a 1,000-square-foot, slab construction home can result in damages of over \$11,000! Put that 3 inches in a



finished basement and the cleanup costs alone can run you more than \$5,000.

- **You don’t need to live on a riverbank to get flooded.** Many floods occur far away from a body of water. Water flowing down an incline, pooling in a low-lying area or unable to enter a blocked storm

drain can find its way into your home or building.

- **Flood insurance can be inexpensive.** If your home lies outside the floodplain and has a slab foundation, you can purchase enough coverage to pay for your cleanup costs and minor repairs for as little as \$120 a year. Homes with crawlspaces or basements will pay only slightly more.

Please don’t go unprotected against flood damage without learning the facts about your risks and coverage options. Be informed. Be protected. Contact our office to talk about flood insurance.

LIFE INSURANCE

Advantages Of Whole Life Insurance

When looking at your life insurance needs, whether your goal is to replace income, send kids to college or take care of final expenses, whole life insurance can provide certainty and peace of mind.

The purchase of a whole life insurance policy brings with it several advantages:

- **A guaranteed death benefit that never decreases.** As long as you continue to pay premiums, the death benefit at your time of purchase is the amount that your beneficiary will receive upon your death.
- **Tax-free benefit.** Life insur-

ance proceeds pass to the beneficiary tax-free.

- **Cash value.** Whole life policies accumulate a cash value of tax-deferred money, which



the policy owner can borrow for any reason. If the policy were to be surrendered (terminated), the cash value would be distributed to the

policy owner.

- **Certainty.** Whole life is a permanent product that is designed to be in force for your entire lifetime. This provides you with the certainty that you won’t outlive your protection, so you know you and your family will be taken care of.

As you look at your current life insurance program, please consider the role that a permanent policy like whole life could play. We would love to talk with you about starting a life insurance program with whole life coverage or supplementing your current program with this important protection. Call us today!

BUSINESS INSURANCE

Apartment/Condo Maintenance Funds Necessary



If you own an apartment complex or belong to a condominium association, having adequate funds is necessary for building maintenance. Both apartments and condominiums have certain operational needs that must be followed through on.

One of the primary functions of commercial property insurance is to provide financial means to repair buildings that are damaged due to catastrophic losses such as wind and hail storms.

Commercial building insurance is not designed to be used as a "fund" to repair buildings that are not adequately maintained. Careful and consistent monitoring is required to ensure the roof functions correctly—not only to keep the building dry, but to properly vent attic air based upon seasonal climate temperature changes.

Making sure your apartment or condominium operation has adequate financial

means to maintain your buildings is a critical part of your operation. Placing appropriate financial savings aside on a regularly scheduled basis is a great way to complement your insurance program and the risk management of an apartment or condominium operation.

For apartments that use property management companies, be sure they are monitoring building maintenance and actually have a building repair checklist and procedures in place. A portion of rent should be allocated each month to be used to maintain and repair building roofs that require replacement.

For condominiums, a condominium board is responsible for operating, maintaining, repairing and preserving the common property, which in-

cludes resident buildings.

As a part of the operating budget, the board should establish a budget plan for current and future repairs, replacement and improvement of major components of the property, such as roofs, balconies, the exterior facades, elevators and boilers.

The budget should project expenditures for major repairs and replacement of property components for a longer period, such as five years.

To offer additional clarification of the purpose for building insurance, please contact our office. We're always available to help you with your business insurance needs.



Auto-Owners Insurance has simplified its billing plans and how to pay your bill. Down payments are no longer required, and electronic funds transfer options can be used with most billing plans.

BILLING

Billing Plans Made Easier

Auto-Owners has made its billing plans easier and less confusing for you.

To do this, the company has made some revisions to its renewal billing procedures. In the past, a deposit was required on renewals. Now when your policy renews, a bill will be sent out as usual, but instead of a down payment being required, the billing cycle will have even draws depending on the payment option selected.

For example, a policy with \$1,200 annual pre-

mium and monthly pay would have 12 even payments of \$100.

The deposit amount needed on new business policies is as follows: Full Pay (100%), Semi-Annual (50%), 3 Pay (33.33%), Quarterly (40%).

Monthly deposits are staying the same at 8.5% for annual policies and 17% for semi-annual policies.

This will eliminate the confusion of having to put extra money down at the renewal and not paying for a month at the end of the policy.

Auto-Owners has also simplified its electronic funds transfer (EFT) billing options by eliminating its "EZ" program for Monthly, Quarterly and Semi-Annual payment plans.

To make this more efficient, you now have the option to use EFT in the regular Monthly, Quarterly and Semi-Annual payment plans. You should appreciate being able to pay through EFT for all payment plans.

If you want to change your current billing plan to one of these new plans, please contact our office.

THIS PUBLICATION BROUGHT TO YOU BY:

Auto-Owners Insurance

