

# Insights and Updates



## INSURANCE

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## Same-sex marriage: Pitfalls before the celebration

Gay couples could have serious and complicated legal and financial issues to consider as they plan to change their marital status. Same-sex spouses could be added to insurance policies. Pre-nuptial agreements could be necessary. And, if a couple has been together for some time and built up assets together, there could be questions about what would be considered marital property. Someone who never worried about inherited money might feel differently if it becomes something that would be divided up should the relationship fall apart.

And, while same-sex marriage now is legal in New York and a handful of other states, federal law still doesn't

recognize it. That has an impact on how couples would file state and federal tax returns possibly requiring the services of financial planners and accountants. Moreover, the ripple effect also could affect lawyers in other states. Every state is going to be different as to how and to what degree it recognizes what another state does. Couples might come from those other states to tie the knot here, but they'll have to determine whether their particular states will recognize their unions, requiring consultation with lawyers in the places they're from.

Therefore, for anyone considering taking advantage of the new opportunity for same-sex marriage in New York state, it is critically important to draw up

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documents that spell out such things as who is responsible for making health-care decisions for each other, should circumstances require it. Couples can't assume simply having a marriage certificate will be enough.

Why not start by discussing this option with your local independent insurance agent? His or her advice could help you proceed down this road with the peace of mind that your affairs are in order.

## Mother Nature's reminders: Check your homeowners insurance

This past month, we've had several reminders that Mother Nature can wreak havoc on your home. Chances are your home is one of your largest investments. If you still are paying for it, your lender probably will require you to carry homeowners insurance. But, even if you've paid off your mortgage, you should have enough coverage to ensure you are protected financially if something unexpected happens to your home or possessions, and consider a few endorsements to

your standard policy that can shield you from Mother Nature.

Make sure the policy covers actual replacement cost. If your home were destroyed by fire or damaged by a natural disaster, you'd need money to repair or replace it. Replacement cost terms mean the policy will pay the cost to replace the dwelling with a comparable one, without deducting any amount for depreciation. You also may purchase coverage for replacing the contents in the dwelling without a deduction for depreciation.

### Consider flood insurance.

Homeowners insurance will cover water damage if water comes through the roof due to windstorms, but not damage from surface waters. If your home has been determined by the Federal Emergency Management Agency to be in a special flood hazard area, your lender will require you to have a flood insurance policy. If you're not in the special flood hazard area, but still in an area that could be flooded, you may still want to consider a flood policy.

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## Are your holiday gifts covered?

Yes and no. It depends. Generally, a homeowners or renters insurance policy covers personal property (often subject to deductibles). However, many policies limit the amount of coverage or insurance they provide for personal computers, silverware, stamp or coin collections, fine art and jewelry. So, if your house or apartment is filled with expensive gifts just opened or waiting to be opened, you may want to consider additional coverage to make sure these gifts are repaired or replaced if something happens to them.

Give us a call and ask about personal property endorsements and floaters. With an endorsement, you can specify a higher amount of coverage than under the standard homeowners policy. With a personal articles floater, items such as jewelry can be covered at full value, based on current appraisal or the bill of sale, with no deductible. Floaters also can cover broader causes of loss, such as dropping a new ring down the drain.

Besides arranging endorsements or floaters, a home inventory is a good idea to protect your property. Conduct a home inventory of all your possessions, and update this inventory whenever you make major purchases or receive gifts. Go over your insurance policy with us to be sure it provides coverage for the total value of items on your inventory. Keep receipts, serial numbers and dates of purchases for major items. Appraise jewelry and fine art at least every three years, because they may change in value over time.

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## Mother Nature's reminders: Check your homeowners insurance

### Don't forget earthquake coverage.

It's important to note that most any place in the country could be susceptible to an earthquake and this kind of damage to your home is not covered by a homeowners policy without a specific endorsement request. You may be making a big mistake if you overlook this coverage.

While homeowners insurance is meant to cover unexpected damage, not routine maintenance, it's still one of the most

important protections you need for yourself and your family. But, everyone's needs are different.

This article only touches briefly on homeowners insurance and some of the issues to consider when considering your homeowners coverage. Be sure to read your policy thoroughly and call us to discuss what is covered and what is not. We will help assess your needs to find the insurance policy that is right for you and answer any questions you may have.

## Renting power tools comes with responsibility

Autumn invites homeowners to tackle a variety of tasks around their homes and yards: put up a fence, remove an old tree stump or chop firewood. In many cases a homeowner will make a trip to a local home improvement store for a tool to help with the job. The power of such tools, along with the fact that the average homeowner uses them so infrequently, invites an examination of the related safety and insurance issues that go along with them.

In many cases, a person who rents a power tool has recourse under his or her homeowners policy. However, the nature of these tools is a greater degree of possible damage or a more expensive sort of damage (such as digging into a buried fiber optic cable).

There are other considerations: When obtaining a power tool, a renter typically signs a rental agreement. This agreement may apportion liability for certain outcomes to the user. An agreement may state that the renter of a tool is strictly liable for all harms that befall the tool as long as it is in the care, custody or control of the renter. The contract may limit the liability of the rental facility, the manufacturer or other parties. Because of these contractual limitations and the limited nature of coverage under a homeowners policy for this sort of loss, a tool renter actually may be liable and without adequate recourse in the event of damage to or the theft of a rented machine.

Because of these considerations, it is smart for the homeowner/renter of a piece of outdoor power equipment to consult with his or her independent agent regarding the suitability of his or her insurance package.





## Alternative heating precautions

With the cost of heating oil rising and temperatures dipping, homeowners in the Northeast who heat their homes with oil may be tempted to use alternative heating sources. If not used properly, heat sources such as space heaters, kerosene heaters, wood stoves etc., increase the risk of fire and carbon monoxide poisoning. Preventive efforts such as checking furnace flues, chimneys, and vents could help to alleviate the hazard. Have heating equipment and chimneys cleaned and inspected every year by a qualified professional. Use common sense in avoiding open flames, ovens and other appliances not intended for heating to reduce the number of carbon monoxide related incidents.

According to the National Fire Protection Association, home-heating equipment is a leading cause of home fires during the winter months, with half occurring during the months of December, January and February.

Alternative heating source fires may be caused by:

- creosote buildup, a flammable, tar byproduct of wood smoke that builds up on the walls of a chimney or wood stove in wood-burning devices, chimneys and connectors;

**“Have heating equipment and chimneys cleaned and inspected every year by a qualified professional.”**

- failing to give space heaters enough space;
- fueling errors; and
- improper installation.

These fires could be costly and pose severe safety concerns. Have a qualified professional install your space-heating equipment, water heaters or central heating equipment according to the local codes and manufacturer’s instructions.

Make sure the fireplace has a sturdy screen to stop sparks from flying into the room. Test smoke/carbon monoxide alarms monthly.

Standard homeowners insurance and renters insurance policies cover damage caused by fire and smoke as well as water or other damage resulting from firefighters working to extinguish the blaze. Before a fire or other disaster strikes, call us to make sure you have enough insurance coverage to completely rebuild your home and replace personal belongings.



## Smartphone: Identity theft concerns



We've talked about identity theft before: It's still our fastest-growing crime, but by now, most of us are aware of the danger. Generally, we are aware of the common-sense precautions one can take to avoid identity theft: Keep Social Security cards/numbers secure; use a credit card rather than a debit card when possible; check your credit report annually; etc.

However, there is a growing blind spot in our identity theft vigilance: smartphones. According to The Neilson Co., a tipping point is coming. Sometime in 2011, smartphones—iPhone, BlackBerry, Android phones, etc.—will outnumber traditional feature phones.

Big deal, right? So a phone has apps; what does it matter? The problem is, these phones and their apps capture information about us. Think about passwords saved with

Facebook or Google+ apps or the financial transactions we've made using our phones—logging on to our bank account, making a credit card payment. Some phones even allow us to swipe our phones just like credit cards to pay for groceries or settle a bar tab.

Technology advancements are amazing. But, they come faster than we can understand their full consequences. So, how about this? Think twice before providing any information on your smartphone that you wouldn't want to give the world.

Another way to protect yourself is to give us a call. Identity theft may be covered by insurance. Some companies include identity-theft coverage as part of their homeowners insurance policy, selling it either as a stand-alone policy or as an endorsement to a homeowners or renters insurance policy. We can make sure you're covered.

## News from our agency

### It's important to call us when ...

- You replace your existing vehicle with a different one or add a new one.
- You make significant upgrades or changes to your home.
- Your student driver gets B or better grades or goes away to college.
- You purchase new artwork, jewelry, cameras or other high-priced items.
- You get a new boat, jet-ski, motorcycle or other recreational vehicle.
- You change your property ownership via trust or family status.
- You have two homes that you split your time in and one may be unoccupied for more than 30 days at a time.

It would be impossible to list all of the items that can have an impact on your insurance. We want to make sure you are covered fully at all times. Do not hesitate to call us. We will be happy to make recommendations regarding your insurance coverage.

