

# The Insurance Advocate Newsletter

A Free Service For Our Clients

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## Using Candles Safely

Retail sales of candles have grown at least 700% in the last 10 years, according to the National Candle Association. While candles can create atmosphere and spread soothing aromas, candle fires are responsible for an estimated 23,600 residential fires each year, causing over 1,500 injuries and 165 fatalities.

Candle fires tend to include an element of seasonality. Thirty-five percent of candle sales occur during the winter season and twenty-four percent of all candle fires occur in December and January.



The National Fire Incident Reporting System (NFIRS) reports that the majority of candle fires occur as a result of error or negligence. Over half of such fires result from placing the candle too close to combustibles, while twenty-one percent of residential candle fires involve an unattended or unsupervised individual. Twelve-percent of candle fires occur when the candle user falls asleep. Most candle fires occur in the bedroom, followed by living or family rooms.

The Massachusetts State Fire Marshal developed a program called "Candle Circle of Safety." They recommend:

1. Burn candles inside a 1-foot circle of safety, free of anything that can ignite.
2. Extinguish candles after use.
3. Keep candles out of the reach of children and pets.
4. Use a sturdy metal, glass, or ceramic candle holder.
5. Never leave a burning candle unattended.

Common sense and caution must be used when burning candles. Following simple safety tips can make the use of candles enjoyable, while preventing the possible devastation of a home fire.

## Winter's Wrath Be prepared to combat frozen pipes

Thousands of families have one or more rooms in their homes ruined and their lives disrupted each winter by water pipes freezing and breaking. According to the Institute for Business and Home Safety, claim payments over the past decade for these types of losses have exceeded \$4 billion.



When the outside temperature drops below 20 degrees Fahrenheit (minus 6 degrees Celsius), water pipes in homes with little or no insulation are likely to freeze and break. A small intrusion of frigid outside air can easily freeze a pipe located near an outside wall. Just a one-eighth inch (3-millimeter) crack in a pipe can spew out more than 250 gallons of water a day, destroying floors, furniture, appliances and personal items.

Homeowners can avoid frozen pipes by having adequate insulation where pipes run along outside walls, floors and ceilings. You should disconnect outside garden hoses, wrap exposed pipes with insulating sleeves or tape, and seal foundation cracks that allow cold air to freeze pipes in crawl spaces. If you feel that weather conditions that could cause freezing are eminent, open cabinet doors under sinks to allow warmer room air to circulate around pipes. Allow a small trickle of water to run from faucets, especially those along outside walls.

If you determine your pipes have frozen, open the faucets and turn the water supply off at the water main. As the pipes thaw, this will reduce the amount of water that leaks from the area of the burst pipe and remove the water supply to the leak.

Never use any type of torch or open flame to thaw a pipe. Better a small flood than a big fire. You can use the warm air of a hair dryer, or portable heater to thaw the frozen pipe, but if you are using a combustion type heater be sure that there is adequate ventilation and no risk of fire. Do not use a combustion type heater in a confined space. Make sure that whatever warming device you use is UL approved.

Just an ounce of prevention will save you tons of grief. Using these simple steps could prevent a serious claim and disruption to your life.

## Insurance Notifications

### Don't Just File Them Away

The one thing in life we can be certain of is change. Changing times, including legislation and precedent-setting litigation, often require insurance companies to make changes to their policies. Usually, these changes occur at the policy renewal and are accompanied by a written notice from the insurance company. Once your insurer has fulfilled the notification requirements, it is up to you to read the notices and call us with any questions. Don't be complacent and just file your renewal away. Take a few minutes to review your policy, make notes of needed changes, and call us for an appointment so we can ensure you have the coverage you expect.

## Who Needs Life Insurance?



Essentially, there are two broad classes of people who should obtain life insurance protection. The first group are those who have someone who depends on their income. A wage-earning parent is the most common example of an individual needing life insurance. Surviving family members might be left destitute if the major family wage earner were to die.

The loss of an individual who does not work outside of the home, yet provides valuable services to the family, would result in a void that would need to be filled. It is quite common, for example, to find children caring for an elderly parent or a parent providing care for dependent children.

In both of these cases, life insurance can provide the means to provide support for those depending on you, after your death.

## Danger Behind The Wheel...Hazards Inside Your Vehicle

Did you know that umbrellas, cell phones, cups and golf balls all could be lethal weapons? It's one thing to buckle the kids up in their car seats, but what about the family dog and all of those miscellaneous items that find their home on the back seat floor? In an extreme-force collision, any of those items can become flying projectiles which could cause serious injuries and even death.

In a head-on collision, traveling at just 35 mph, a one-pound article loose in a vehicle will continue traveling at that speed until striking something or someone with nearly 100 lbs of force. This amount of impact can easily break bones and cause serious injury.

According to Allan Williams, chief scientist at the Insurance Institute for Highway Safety, "People are largely unaware of what happens in a collision. The forces are extreme. After the collision outside, there are always collisions inside the vehicle."

The sport utility vehicle (SUV), minivan, and station wagon have all become hugely popular, but all lack a standard cargo containment area. Most owners place every manner of item into the open cargo area creating a significant hazard in the event of a collision. In one SUV accident, a mother was hauling boxes of books which weighed several hundred pounds. Upon impact, the books rocketed forward with thousands of pounds of force, breaking the back seat supports. A small child, sitting in the broken seat, was propelled forward into the rear of the front seat resulting in death.

The automotive industry has known about this problem for years. In 1986, General Motors engineers were warning that passengers and drivers could sustain serious injuries from unsecured cargo. According to research involving hundreds of crashes each year, from the Strategic Safety LLC of Arlington, Virginia, the hazard of unsecured cargo poses a serious danger.

Unsecured cargo is not the only threat. Unbelted



We often load our vehicles with little regard for anything but fitting all of our cargo inside the vehicle.

riders can also be a problem.

In a 2002 study by the University of Tokyo involved 74,000 two-car collisions. Researchers found that the risk of death to front-seat occupants rose 400 percent when someone in the back seat was not wearing a seat belt.

## Hazards & Solutions

### Front Seat Area:

#### Hazards-

Cell phones, compact discs, coffee cups, brief cases.

#### Solution-

Utilize glove box and console compartments. Keep dashboard area free of clutter.

### Rear Seat & Cargo Areas:

#### Hazards-

Passengers, groceries, handheld games. In SUV's and station wagons, it is common to find unsecured cargo.

#### Solutions-

Never transport passengers who are not wearing seat belts. Stow away loose items in the trunk. In an SUV or station wagon, use cargo nets or even better a crash-approved barrier.

## Do You Text or Talk While Driving ?

In a 2008 survey of 2,501 people, the AAA Foundation for Traffic Safety found that 48 percent of people worry about a friend or family member driving unsafely. The federal government estimates that at any given moment approximately 11% of drivers, or about two million people, are talking on a cell phone.



Studies show that people who talk on the phone while driving are four times more likely to be involved in a crash. For those who text while driving, the likelihood of being in an accident is even higher. According to the University of Utah, the distraction caused by using a cell phone while driving, whether hand-held or hands-free, increases a driver's reaction time as much as having a blood alcohol concentration at the legal limit of .08.

The National Transportation Safety Board (NTSB), the federal safety agency responsible for investigating transportation accidents, is banning texting and talking on cell phones by its employees while driving on government business. The "risk of catastrophic consequences is too great" to justify the use of wireless devices while driving, according to Deborah Hersman, director of the NTSB.

A 2008 poll conducted by Nationwide Insurance of 1,500 motorists found that 48% of those who multitask behind the wheel do so because they felt an urgent need to address an issue pertaining to school or work, while 33% said they felt pressure to stay socially connected. Approximately 85% of female drivers admitted to multitasking on the road, compared with 78% of male drivers. Most of these multitaskers claimed that they were perfectly safe behind the wheel, but research, such as that found in the studies cited above, indicates otherwise.

With over 277 million cell phones currently in use in the U.S., this form of communication has become an integral part of our society. Some states have banned the use of cell phones while driving unless supported by hands-free technology. Considering the fact that distractions are the number one cause of automobile accidents, more legislation restricting their use is likely in our future.

## Is It Covered?



*This article is the latest installment in a series of articles exploring different claim scenarios, and discussion of how coverage might exist to pay the claim. We will explore homeowner, auto, and personal umbrella claims.*

**Claim Scenario:** Your child, who is listed as a driver on your policy, is involved in an accident while away at school. The repairs will take several days during which time your child needs transportation. You have rental reimbursement coverage on your policy.

**Q.** The question here seems to be "Can the child, who is a listed driver on the policy, rent a vehicle in his own name and have coverage to pay for the rental car, and more importantly coverage for the operation of the rental car?"

**A.** The typical policy wording for *rental reimbursement*, sometimes referred to as *transportation expense*, states "we will pay...expenses not exceeding \$20 a day incurred by *you* in the event of a loss to your covered auto." The policy defines "*you*" as the named insured shown in the declarations, and the spouse if a resident of the same household.

Since the child is not included in the definition of "*you*"

as found in the policy, there would be no coverage for reimbursement of the rental vehicle if it were rented in the child's name. These expenses would not be expenses of the named insured and therefore would not be covered. For coverage to apply, the named insured must be the renter of the vehicle.

Some states do have different rental provisions, so you should check with us to be certain that you don't have a state specific endorsement that may have different language. ■

## Did You Ever Wonder?

### What would happen if there were no insurance?

Someone would need very deep pockets. In 2007, insurers paid out \$97.9 billion for auto claims, \$31.3 billion for homeowner claims, and \$120.7 billion for commercial losses. Add one of the recent catastrophic losses like Hurricane Katrina, California wildfires, or Midwestern tornados and you get a feel for the positive impact insurance has on our economy.

## Business Personal Property

### Just The Basics

In the commercial property form, business personal property is broadly described, and, subject to restrictions on certain types of property, includes all other personal property owned by an insured and used in the business..

In order for business personal property to have coverage it must be located in the building described in the declarations or within 100 feet of the premises. Since “*premises*” is more broadly defined than “*building*”, it is conceivable the policy could cover personal property located on an adjoining property as long as the personal property was within the specified distance.

The purpose of this restriction is to help underwriters determine an accurate property rate, based not only on the personal property itself, but also on the construction characteristics of the building in which the property is usually located. It is not uncommon for businesses to rent additional accommodations, on a temporary basis, to store supplies or finished inventory for a large production run. The main plant may be of the latest fire resistive construction, while the temporary storage

location could be a poorly wired, unheated, 100 year old frame structure.

Invariably, there is property that a business needs to take off premises. The property could take the form of a worker’s tools, computers or other sophisticated equipment. Typically, for this situation, a commercial inland marine policy is used. For a nominal premium, items of special interest or value can be scheduled on this policy allowing this specific property to be removed from the premises and still have coverage.

Another classification of property of some importance is “property of others” in your care, custody and control. The same restriction concerning the location of property still applies. Often this exposure can result from a repair or service business taking property temporarily from a customer to perform some task. We also see manufacturers or machine shops in possession of tools and molds which actually belong to a customer, but provided to them to produce a part or assembly. There are a number of ways to provide coverage in these circumstances.

The topic of business personal property is so extensive that we cannot cover it all in this article. Our immediate purpose here is to make you aware of some of the restrictions in your policy.



## Three Steps to Keep Focused and Be Successful

Below are three steps you can employ to stay focused and keep yourself on task, along with website applications that can help you accomplish those steps and ultimately make the most of your day.

### 1. Make Lists

One of the first things you should do is figure out what you need to get done. The website [www.rememberthemilk.com](http://www.rememberthemilk.com) is one of the best online list applications available.

### 2. Get Organized

Once you have your list, utilize applications that will help you organize each individual task. The website [www.backpackit.com](http://www.backpackit.com) is a great web application for helping you organize your thoughts on your project.

### 3. Stay Focused

Distractions kill productivity. The website [www.rescuetime.com](http://www.rescuetime.com) is a good tool to help you stay focused. For Firefox web browser users you can check out <https://addons.mozilla.org/en=US/firefox/addon/4476> for a free extension that can also be set to blockout specific web sites at specific times during the day.

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