

# Insurance Insights

NEWS, TIPS AND INFORMATION FROM YOUR INSURANCE PROFESSIONALS

VOLUME 1 NUMBER 1

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### First Insurance Agency Inc.

25 West State St.  
Upper Level  
Mason City, IA 50401  
[www.1stinsurance.com](http://www.1stinsurance.com)

Phone: (641) 423-8184  
(641) 421-8000

Toll Free (Iowa)  
(800) 247-0713

Toll Free (out of Iowa)  
(800) 367-6907

## The Importance of an Annual Insurance Review

Most people know the importance of insurance protection. You don't want to be without it when problems strike. What many don't realize, however, is that protecting themselves with insurance isn't a once and done event. You don't wear the same pants you did when



you were five years old because, besides no longer being in style, they simply don't fit. A homeowner's policy purchased when your house was furnished with bean bag chairs and bar stools is no longer going to "fit" once you're lounging on Italian leather sofas while watching television on your wall mounted plasma screen. Life is constantly changing, and your insurance policies should reflect that.

Does this mean that I have to immediately call my insurance agent every time I buy a new piece of furniture or my cousin Gwen moves in for 6 months? Not necessarily. While more

significant changes should be reported immediately (such as getting married or getting a new car), items such as improving your home entertainment system or upgrading your car's tape deck to an mp3 player, can be reported at your annual insurance review. Agents reach

out to their clients because they want to make sure to check up on these changes and make help avoid any gaps in their clients insurances, however it's equally important to for a policyholder to reach out to their agent to make sure they are covered. Schedule your own annual review, and call your agent as you get your annual renewal. If one agent handles all of your coverage, this task is relatively easy. Jot down any changes that have occurred over the last year, even if you're not sure whether they are significant enough to mention. Doing so will ensure that all of your insurance policies are best suited to your current life situation.

Some examples of changes that should be mentioned to your agent immediately are listed below. Ask yourself these questions every year:

- Have I gotten married or divorced?
- Have I had a new baby, or adopted a child?
- Is anyone in my house a new driver?
- Is anyone living with me who wasn't before? Will they ever be driving any of my vehicles?
- Do I have a personal umbrella policy? Do I need one?

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Protection and Security Since 1921



# On-line Insurance as Opposed to an Insurance Agency: What's the Difference?

Just as one may use a CPA to prepare their income taxes or an attorney to help them with their estate planning, many choose to use an insurance agency to write their insurance policies. This choice is mainly made because a person feels they need professional advice during the process. Of course, everyone will have different needs and circumstances surrounding their purchase, and this is why an insurance professional's advice can be an invaluable asset.

If you're debating buying insurance on-line versus through insurance agency, then you should ask yourself a couple of questions:

- Do I know for certain what specific coverage(s) I need?
- Do I know all the questions I should be asking before making an insurance purchase?
- Will the on-line purchase truly result in both time and money savings?
- Can I obtain all my insurance policies through a single on-line insurance provider?
- Can I call the on-line insurance provider and receive insurance advice when needed?
- Is the personal information I'll be providing kept secure?

You want to know exactly what coverage you need and that the insurance you're purchasing meets those needs adequately. Insurance can vary greatly from state to state, meaning that it's equally important for your insurance source to be knowledgeable. You certainly don't want to purchase an insurance policy and discover down the road that it doesn't protect you during a claim. Making an insurance purchase with an on-line company that fails to connect professional insurance advice to your personal insurance needs can leave you at risk of being without the coverage you need. You shouldn't be the only one taking time to ask questions. The on-line insurance company must ask you questions in order to ensure they're recommending the appropriate coverage(s).

One of the best ways to determine if you're really saving money by purchasing your insurance on-line is to get a quote of your policy on-line. Do keep in mind that most on-line companies don't offer multi-policy discounts, such as for home and auto. This is because most offer homeowner's insurance through a different company, if at all. On the other hand, an insurance agency typically allows you to select coverage from several different insurance companies and can help you determine which company will offer you the most favorable rates for your particular risk type. Another consideration is that insurance agencies typically have a much more stringent screening process in relation to these insurance companies.

Unlike insurance agencies, many on-line companies will either not have the services that you need readily available or have a system that you must sign into and learn to navigate before being able to obtain what you need. One such example would be obtaining insurance documents, such as a certificate of insurance. Let's say you're using your vehicle to take your child and some of his/her classmates on a field trip. You learn the day of the trip that you must have evidence of your insurance before going. If you use an insurance agency, the documented can be faxed or emailed to the school or your smart phone with a quick and simple call. A second example would be how an insurance agency can help you meet some very challenging needs associated with needing a hard to place insurance policy. Despite the trend for on-line shopping, insurance agencies continue to thrive because of the solid reputations they build from customer satisfaction.



Insurance is often required—auto insurance by your employer, homeowner's insurance by your mortgage lender, or even coverage(s) an owner of a space you're trying to rent for a professional or personal function may require of you. Such requirements can often be like trying to understand the tax code. If you use an insurance agency, then you can email or fax any insurance requirements to your insurance agent for quick and efficient resolution.

Carefully consider how you go about purchasing your insurance. Surprises are the last things you want when it comes to the vital protection of insurance. If you have any uncertainty about what you're really getting with on-line insurance, then you might want to rethink your decision. If you'd like to avoid the one-size-fits-all approach of on-line insurance and receive the knowledge and expertise of an insurance agent, then you may consider opting for a professional, independent agent to prepare your insurance policy.

# Take Steps to Winterize Your Home Now

When preparing for winter's arrival, most people immediately think of snow tires and protection from wet and icy roads. But what about your home? Although you may take great care in winterizing your car with snow-tires, anti-freeze, wiper fluid, flashlights and blankets, what kind of prevention have you taken regarding your house? If your home is not properly winterized, it can easily become a source of both property and liability claims. Take steps to bring your home up to par before the first snowflake falls.

First, make sure your coverage is adequate to minimize the risk of a wintertime claim:



## Winter Insurance Checklist

- Is your homeowner's coverage sufficient? If your house was recently upgraded, it may not be.
- Is your vacation property coverage adequate? What if someone uses the property in your absence and is injured? Will your coverage pay for damage that may occur while it is unattended all winter?
- Do you own a snowmobile? Many high-end snowmobiles require insurance above and beyond what most homeowners think about.
- Are you planning a winter vacation that requires expensive items such as fine jewelry for a trip to France, or snow skis and equipment for Vail? Be sure your personal property endorsements measure up.
- How about your college student? Is he renting an off-campus town home? If so, you should think about liability insurance for that dwelling, as well as all the winter hazards that apply to the family home.

Next, think about minimizing wintertime hassles, and avoiding needless claims that can be easily avoided.

## Winterizing Checklist for Your Home

- Take time to clean or replace heating filters before turning the systems on. Make sure your units have been professionally serviced. If you don't have smoke alarms, install

them now. You may also want to consider carbon monoxide alarms.

- Inspect storm doors and windows. Cracked gaskets or cracked glass? Make the repairs.
- Remove or cover and seal window air conditioning units until spring.
- Examine the sidewalk in front of your house and all walkways and handrails to make certain they are in good repair. Maneuvering through snow and ice is hard enough without having to step gingerly on broken pavement or to remember not to grasp shaky handrails. Also, having everything in good repair may help limit your liability in the event of a mishap.
- Is your snow blower and other snow removal equipment in good working order? Hire neighborhood help to clear your walkways if you are unable to do it yourself. Keeping walkways clear will help ensure that no one is seriously injured on your property by winter weather conditions.
- Check around doors and windows for cracks. If you find small gaps, fill them in with caulk. Consider hiring a contractor if bigger problems surface.
- Remove leaves, acorns, sticks and other debris from gutters before the first freeze. This will ensure that heavy winter rains and snow melt can flow freely and not damage your roof or walls. You may also wish to install gutter guards to keep all that debris from getting into the gutters next year.
- Survey your plantings. If snow covered branches would endanger any part of your house or cars, trim them back. Consider the walkway, too, so pedestrians will not risk injury while walking in front of your house during or after a storm.
- Examine the insulation in attics, crawl spaces, and basements. If too much heat is escaping, it can cause ice and snow to melt too quickly to be properly carried away. If the melt off seeps into the roofing, it can cause significant damage or even collapse. If the insulation in your basement or crawl space is sufficient for your climate, you can avoid the inconvenience and damage of frozen or burst pipes. In unfinished spaces with pipes running through them, such as garages, wrap the pipes with heating tape.
- During the winter, set interior temperatures to at least 65 degrees. Letting indoor temperatures drop below 65 degrees could risk pipes freezing behind the walls.
- Learn where shut-off valves are for all plumbing. Include both the valves within each room and the main valve. If your pipes do freeze, the more quickly you turn off the water, the less chance of pipes bursting.
- And last but not least, take similar precautions with your vacation home. Make sure all pipes are drained and the toilet empty so expanding ice cannot crack the porcelain.

Where winterizing your home is concerned, the effort to prevent problems before they occur is well worth the expense!



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- Have I purchased any new properties?
- Have I started a home business?
- Have I purchased new furniture, electronics, or fine jewelry?

These are just a few examples of life changes that are often picked up during an annual review. However, they are far from the only changes that can affect your coverage, so be thorough when documenting and reporting items to your agent.

Some of the above examples might seem pretty obvious. Most people know that if their teen-ager gets his license, they need to notify their auto insurance carrier. However, not everything is as obvious. For example, take a couple who just had their first child. They decide that it's time to purchase life insurance to provide for the child if something ever happens to them. This couple is doing the responsible thing. They understand the importance of buying life insurance when starting a family. That significant step in planning for the future is taught to the general public quite effectively, in the form of commercials, television shows, radio spots,

and the like. But what about five years later when little Ellie is born? Having child number 2 doesn't necessarily flip on the proverbial switch like the first time, shining that bright light on the right decision. Television shows don't show "made for t.v." couples updating their life insurance policies for child number 2. Advertisements don't highlight the importance of adding new children as beneficiaries. All anyone ever hears about through popular culture is the importance of getting life insurance if you don't have it, especially if you are starting a family. If the Henderson family gets a life insurance policy when their first little one is born, and 4 children later, mom and dad are hit by a logging truck on a trip to Alaska, only #1 gets the money. Unfortunately, #1 also happens to be 18 by that time, and decides to run to Vegas with his new fortune. This particular tale might seem slightly "tall," but beneficiary issues create havoc, legal battles, and misdirected money on a daily basis. Sometimes it's to the tune of thousands, other times it's to the tune of millions. Protect yourself, your family, and your personal belongings by making sure that each of your insurance policies gets an annual check-up. You'll rest much better once you do.



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