

Consider Home And Auto Insurance Before Moving - Page 1



Inexperienced Teen Drivers Are Three Times More Likely To Cause Fatal Accidents - Page 2



The High Cost of Not Having Life Insurance - Page 3



Lightning Damage Claims Increase While Average Losses Decrease - Page 4



Insurance Insights

A NEWSLETTER FOR CLIENTS AND FRIENDS OF MOUNTAIN STATE INSURANCE AGENCY, INC.



Consider Home And Auto Insurance Before Moving

will still need to update the policy and may have a slightly larger or smaller premium. Also, the features of the home itself play an important role in determining policy costs.

Be prepared to provide insurance information to movers. People who hire movers are usually encouraged to purchase insurance from the vendor if they lack adequate home or renter's insurance. Moving companies usually offer it based on the weight of the moving load or a lump sum value. Most standard home and renter's insurance policies cover a certain amount for damaged belongings in transit. Be sure to understand the deductible and how it works. When a moving company is towing a vehicle, owners must ensure that their auto coverage includes liability for damages in transit.

Understand DIY provisions. Many people choose to rent a truck on moving day and enlist the help of friends. When this is the case, check to see if a personal auto policy covers the rental truck for liability. Many insurers do not offer this coverage, and some provide limited coverage with exclusions based on the size of a truck. Rental companies usually offer coverage for an extra fee. Also, be aware that anyone who is injured on the insured property on moving day could file a claim for medical costs.

Be an informed landlord.



Although some people prefer to rent out a home over selling it, they are not aware of changing coverage needs. Home insurance changes and only covers the landlord's belongings such as appliances in

continued on page 2

All homeowners and renters should review their insurance policies before moving. People who are moving from a home and renting temporarily often overlook the importance of renter's insurance at their new residence. Also, people may forget to update an auto policy after moving. Keep these tips in mind for an insured move.

Not all insurers offer coverage in every state. Renters or homeowners who move to a different state often assume that their insurance follows them. While some big insurance companies are licensed in all states, other smaller companies are not. Check with an agent about insurance at the new location before moving. Also, some states have different requirements for auto or home insurance policies.

Any move can affect the cost of insurance. Premiums are partially based on location. For example, someone who relocates to an area known for wildfires may have to pay more based on that hazard. A person who lives in a big city and moves to a different zip code



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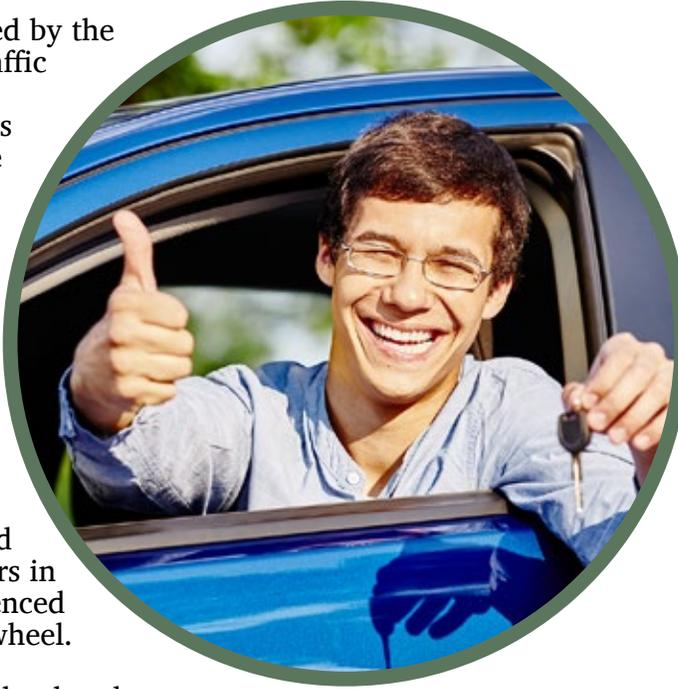
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Inexperienced Teen Drivers Are Three Times More Likely To Cause Fatal Accidents

A recent study conducted by the AAA Foundation for Traffic Safety showed that teen drivers between the ages of 16 and 17 were three times more likely than adults to be in fatal car accidents. Researchers chose to release the study recently since the period between Memorial Day and Labor Day marks the deadliest period for teen traffic accidents each year. More than 1,500 people were killed during the past five years in crashes where inexperienced teens were behind the wheel.



Since teens are out of school and on the road more often during the summer months, crash rates are significantly higher. Researchers said that the combination of inexperience and more time spent driving creates a deadly equation. This latest study analyzed all drivers and their crash rates per mile. The study showed that for each mile on the road, **teens between the ages of 16 and 17 were:**

- Two times more likely than drivers between the ages of 30 and 59 to be involved in a fatal crash.

- Five times more likely than drivers between the ages of 30 and 59 to be in a car accident.
- Six times more likely than drivers over the age of 18 to be involved in a deadly accident.
- Nine times more likely than drivers over the age of 18 to be involved in an auto accident.

In comparison with the previous year's data, researchers found that the number of teens involved in deadly car accidents increased by more than 10 percent. AAA is urging parents across the country to help reduce these numbers by talking to their teens about risky driving behavior and taking action to limit their time on the road during summer. They are hoping to encourage parents to be good role models of proper driving behavior as well. Researchers said that parents should observe speed limits, avoid using their phones while driving and always wear safety belts to set a good example.

There are several factors that contribute to a higher number of fatal accidents among teens.

continued from page 1 ...
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addition to the structure and property. Also, it covers lost rental income if the dwelling becomes uninhabitable. There are limited liability provisions. These policies usually cost up to 25 percent more than what homeowners pay for insurance.

Update the home's inventory. Moving time is the perfect time to make note of any discarded or donated belongings of value. Also, add any new items of value to an insurance policy. Keep receipts or purchase records. Take photos of new or existing items of value in each room as well as general photos of the rooms and their contents. Keep in mind that furs, firearms, rare art and fine jewelry should be insured separately.

Discussing an upcoming move with an agent in advance will help make the transition smoother. Also, agents can suggest helpful apps for taking and storing photos or information about belongings. To learn more about any other moving issues with insurance, speak to an agent.

Since teens are out of school and on the road more often during the summer months, crash rates are significantly higher.

Distraction is the leading problem and causes about 60 percent of all teen crashes. Talking to other passengers, using a smart phone and trying to eat or drink while driving are common distractions for teens. In 60 percent of fatal accidents involving teens, the young drivers were not wearing safety belts. About 30 percent of fatal teen crashes happened when inexperienced drivers were speeding. Researchers at AAA found that speeding was one of the top mistakes made by teens and reported by their driving instructors while the teens were learning to drive. If parents everywhere take steps to make driving safer for teens, the roads will be safer for everyone.

The High Cost of Not Having Life Insurance



Life insurance premiums aren't cheap - but the cost of not having life insurance is devastating. But it's an all too common mistake. It's also one of the few financial mistakes from which there is no hope of recovery.

But too many families and small business owners overlook the foundational financial planning step of getting sufficient life insurance protection in place. According to LIMRA - the organization formerly known as the Life Insurance Marketing and Research Organization, the vast majority of families in the United States are substantially underinsured when it comes to life insurance, and a significant number of families have no insurance at all.

About 48 percent of American families are significantly underinsured, reports LIMRA, and about 37 million Americans have no life insurance protection in place at all, and are at severe risk of financial impoverishment in the event of the death of a family breadwinner. One in five families with children living in the home are underinsured.

For those who have life insurance, the amount in place is too often woefully inadequate: On average, their life insurance coverage amounts to \$200,000 less than their actual need. The average family with life insurance has only enough to cover about three years of lost income/expenses, which is far shorter than what most insurance professionals recommend.

For surviving family members, a lack of life insurance sets them up

for a series of devastating blows to their financial security and lifestyle: Not only are they at risk of losing a loved one and provider - a parent, husband or wife - they also lose every paycheck and every pay raise and promotion that that loved one would have earned throughout the rest of his or her working life.

The Cost of Underinsuring

In addition, without adequate life insurance in place, surviving family members are also at risk of losing the family home, losing prospects for college education, and being forced to move to a less desirable school district. All of which will likely have tremendous effects on their long-term financial and educational prospects.

At the same time, a recent survey shows that over six in ten Americans don't have enough savings to cover an unexpected \$500 expense. One in three has no savings at all.

But families have significant expenses to contend with when a loved one dies, including final medical expenses, which are often significant, as well as burial and funeral costs and the costs of travel to memorial services. Put together, the unexpected death of a loved one - especially a breadwinner - can stretch most family finances to the breaking point.

Insuring the Non-Working Spouse

Don't overlook the need for life insurance on stay-at-home spouses, either. Many families vastly underestimate the contributions a stay-at-home parent makes to the household.

On top of funeral and burial costs, the surviving parent often wants to take some extended time off work to spend with grieving children or travel to visit family. Once they go back to work, they will likely need to arrange for child care services or after-school care, depending on the ages of the children. They typically incur more expenses from eating out, as busy professional single parents have less time available to prepare

home cooked meals. The surviving parent may want to arrange for housecleaning services and pay for a surprising number of services that the deceased stay-at-home spouse provided.

The right amount of life insurance on a non-breadwinner is a personal decision, and varies widely - but the more thought people put into it, the more they realize the need.

Fortunately, term life insurance is affordable even for families just starting out provided they are in good health. The key: Don't put it off. Putting off the decision saves very little money - and you risk waiting too long. A severe medical issue can make it difficult or impossible to get insurance at any price, so the sooner you get protection in place, the better.

To get started, call your life insurance professional today.

continued from page 4 ... Lightning Damage Claims Increase While Average Losses Decrease

to remind homeowners across the nation to install adequate lightning protection systems in their homes. People in Southern states face higher risks. However, lightning can strike and cause severe damages anywhere.

With a lightning protection system in place, dangerous currents are directed away from valuable fixtures and appliances. Lightning protection systems include a special conductor path that harnesses and grounds lightning strikes. Lightning produces super-charged currents of electricity. Experts recommend systems that are compliant with NFPA guidelines. Insurers also recommend the use of these valuable protection systems, and they can provide suggestions for where to find a reliable system. To learn more about protecting property from lightning strikes and electrical surges, speak with an agent.

Lightning Damage Claims Increase While Average Losses Decrease



In 2016, the number of home insurance claims following electrical surges and lightning strikes rose from the previous year's numbers. While the total claim toll increased, the average amount paid per claim

decreased. This means that the overall severity of such incidents was lower. This finding came from a recent report published by the Insurance Information Institute.

Researchers said that the total amount paid out in claims from lightning strikes or electrical surges was \$825 million in 2016. There were more than 100,000 policyholders who received money for damages. Not all claims were eligible for payment. The total number of paid and unpaid claims was almost 110,000. The claim number increase was less than 10 percent from the previous two years, and the overall loss per claim decreased by more than 10 percent in comparison with data from 2007. Researchers said that over 50 percent of the claims cited electrical surge damage. Also, transformer power surges were commonly cited as causes of major damages. Lightning-

related claims were most common in the South. Florida led the nation with the most lightning damage claims, and Texas, Georgia and Louisiana followed.

A standard home insurance policy covers damages caused by lightning or a fire after an electrical surge. In many cases, the electrical wiring catches fire after a power surge with or without lightning. Some home insurance policies include coverage specifically for damages following a lightning strike. Appliances, computers, phone systems, electrical foundations, electronics and electrical fixtures are usually included in such policies.

Although the safety awareness week for lightning takes place each June, the Insurance Information Institute and the Lightning Protection Institute work together all year

continued on page 3



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