

INSURANCE Insights

A Newsletter for Clients and Friends of MOUNTAIN STATE INSURANCE AGENCY, INC. ●●●●●

Coverage Gaps With Adult Children on Your Policy

THESE DAYS many families are assisting their adult children financially far longer than parents of earlier generations did. And that kind of support for college, and sometimes basic survival, can create insurance coverage gaps for the adult child that can be a major risk to the parents financial wellbeing.

If you have an adult child who is still financially dependent on you in some way, it's critical that you secure appropriate insurance coverage. Issues that will affect coverage include if they are a full- or part-time student, where they live and how old they are.

Homeowner's policies limit insureds to:

- "Residents of your household who are your relative," and
- "A student enrolled in school full time, as defined by the school, and is under the age of" 24-29 (this varies depending on the policy and carrier, so check your policy).

The above can cause issues for some people as many children are still in college beyond the policy cut-off date. You could run into coverage gaps for their contents and personal liability if:

- They are older than the cut-off age on your policy,
- They are not a full-time student, or
- They are living away from home.

The picture gets murkier these days as well because many parents are renting an apartment or buying condos for their adult children to live in. Some parents may mistakenly think that since they are footing the bill, their insurance may still cover their adult child.

Typical auto policies will include family members under the coverage. The standard policy form defines a family member as "a person related to you by blood, marriage or adoption who is a resident of your household."

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Coverage gap examples

- If a car is co-titled or titled solely to the child, but the child isn't listed as an additional insured or named insured on the parents' policy.
- Your child borrows a friend's car (which is uninsured) for the day, gets in an accident and injures the driver of the other car.
- Your child rents a vehicle and doesn't buy the insurance offered by the rental car company, and then is in an accident.
- Your child is hit by an uninsured motorist while walking across the street. There are no medical payments or uninsured motorist's coverage for his own injuries.

Source: West Bend Mutual Insurance Co.



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Hopefully you are finding our *Insurance Insights* newsletter informative. Our purpose is to inform our clients, prospects and friends about personal risks faced in everyday life and how insurance might apply to those risks. If you have friends or family members that could benefit from our newsletter, please send us their contact information. We are always looking for more great clients like yourself.

It is our pleasure to be of service to you.

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Fender-Benders – Your Guide to Minor Accidents

IF YOU are involved in a fender-bender, you should treat it like any other accident to avoid any surprise claims later down the road. A small scrape in a parking lot can morph into a lawsuit by an unscrupulous third party who claims injury.

Fender-benders – or even smaller collisions – don't have to spiral out of control like this if you take the appropriate precautions and steps. If there are no injuries you don't need to call the police in most jurisdictions.

So you can take the steps below you can protect yourself from false claims and help your insurance company reach the best decisions:

1. Follow the law

That means always carrying your driver's license, registration and insurance information.

2. Take pictures

Photos can later help show whether any repair estimates were inflated, or whether the force of contact was likely to cause injuries that might later be claimed by the other driver or passengers.

Use the camera on your smartphone. Also, take pictures of all the occupants of the other car, preferably while they are in the vehicle – or at least while they are all still at the scene.

This can also thwart a fraud scheme called 'jump ins.' In an attempt to get a bigger settlement, people known to the claimant come forward and say they were also in the car and also suffered injuries.

Take pictures of the site of the accident. Having photos of the cars on location can help you make your own case to the claims adjuster.

Write down the specifics of the location as well, for example:

3. Get witnesses' information

If there are witnesses, get their names and addresses. Some may be reluctant; be persistent within reason.

4. Exchange information

Exchange information with the other driver, including:

- Name
- Address
- Phone number
- Driver's license number
- Name of the other driver's insurance company
- Policy number
- License plate number

5. Get additional details

If the driver is not the person named on the insurance card, write down what the relationship is between the driver and that person; family, friend, employee. Write down the policyholder's name, address and phone information, as well.

Finally, write down a complete description of the other car, including year, make, model and color.

Under no circumstances tell the other driver, "It was all my fault," even if you think it was.



Remember, there are people who stage accidents for the payoff, and you could have been positioned so that there was nothing else you could do. Even if it was a bona fide accident, let the experts determine blame – or lack thereof – when they work out the insurance compensation.

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Think Your Adult Child is Covered? You Better Check Closely

For your adult child's vehicle insurance, coverage is determined by:

- Who owns the title on the car.
- Who is listed on the policy as a named insured or additional insured.
- Where the child is living.

As you can see, even if a parent owns the title of the car and it's insured under the parent's policy, if the adult child is driving the vehicle and lives on their own, they could run into coverage issues.

If you have an adult child on your policy, play it safe and give us a call so we can go over the policy and circumstances with you to identify any possible coverage gaps.

Hands-free Technology a Significant Danger: Study

IF YOU think that you are completely safe using hands-free mobile phone technology while driving, a new study says otherwise.

Mental distractions can persist for nearly 30 seconds after dialing, changing music or sending a text using voice commands, according to recent research by the AAA Foundation for Traffic Safety.

The researchers discovered the residual effects of mental distraction while comparing new hands-free technologies in 10 vehicles and three types of smartphones (Google Now, Apple Siri and Microsoft Cortana). The analysis found that all systems studied increased mental distraction to potentially unsafe levels.

Researchers found that potentially unsafe levels of mental distraction can last for as long as 27 seconds after completing a distracting task in the worst-performing systems studied.

The faster a vehicle is traveling, the further it would go during this time.

When using the least-distracting systems, drivers remained impaired for more than 15 seconds after completing a task.

Drivers using phones and vehicle information systems may miss stop signs, pedestrians and other vehicles.

The research indicates that the use of voice-activated systems can be a distraction even at seemingly safe moments when there is a lull in traffic or the car is stopped at an intersection.

Mental distractions persist and can affect driver attention even after the light turns green.

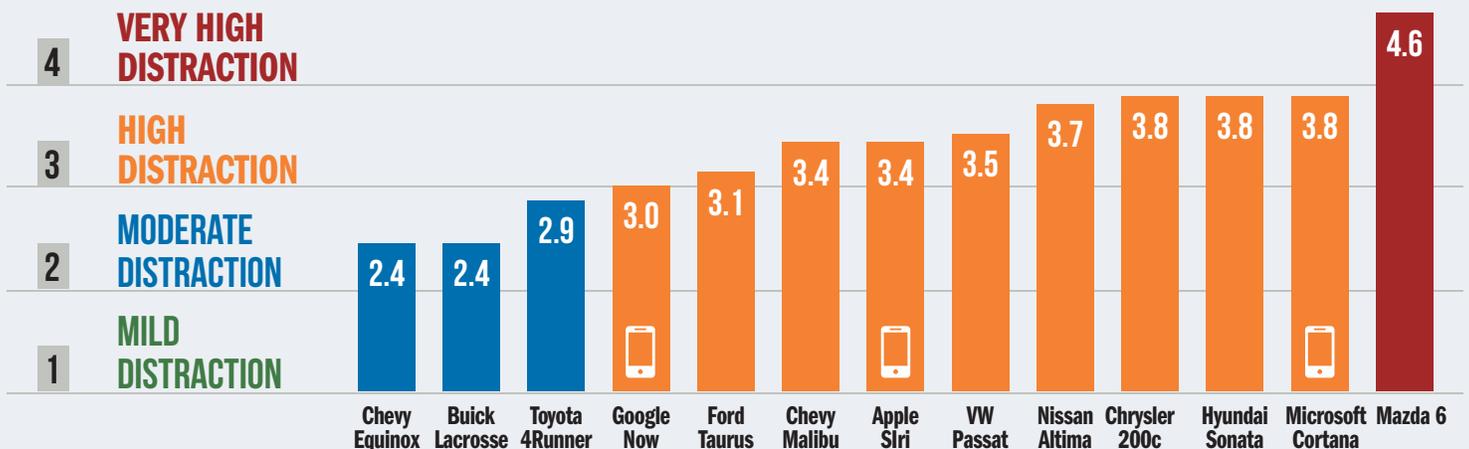
Researchers rated the distraction level of the cars and smartphone technologies on a scale of 1-5, with anything above 2 deemed distracting enough to be a danger.

DANGER LEVELS

AAA Foundation researchers liken the categories as follows:

- **Category 1** - About as distracting as listening to the radio or an audio book.
- **Category 2** - About as distracting as talking on the phone.
- **Category 3** - About as distracting as sending voice-activated texts on a perfect, error-free system.
- **Category 4** - About as distracting as updating social media while driving.
- **Category 5** - About as distracting as a challenging, scientific test designed to overload a driver's attention.

MENTAL DISTRACTION RANKINGS OF VOICE-ACTIVATED SYSTEMS*



Source: AAA Foundation for Traffic Safety

* Mental distraction rankings when using voice commands to make calls or change music while driving. Includes 2015 model year vehicles.

Don't Forget Post-Winter Maintenance for Your Home

SPRING IS around the corner and it's time to take care of housekeeping to keep up your home and reduce the chances of problems down the road.

Parts of your home can be damaged during winter's harsh weather, particularly if you have endured storms and unusual weather.

Here are some tips on upkeep – both outside and inside the home – that you should tackle to identify issues that may be developing, or to head off future problems:

Clean the rain gutters

This is a good idea, especially if the winter brought with it winds, rain or snow.

Get a ladder and climb up to inspect your gutters for debris that may have accumulated during the winter. Don a pair of gloves and remove what you can with your hands. You can use a hose to spray out any leftover sediment and smaller debris. It's best to have a helper on the ground who can turn the water on and off for you.

Finally, you can clear out the downspout by putting the hose down it and spraying to get rid of anything that may have gotten lodged inside.

Wash your windows

Get an extendable squeegee to clean the exterior windows and get rid of any winter grime.

Scrub walls, baseboards, outlets

Get your home looking shiny and clean by using a damp sponge or brush with mild soap and water. Scrub the walls in all of the rooms, particularly the bathroom, living room and kitchen, where most of the dirt accumulates.

Also, clean baseboard and outlet covers. It's best to remove the outlet covers and clean them off the wall to avoid getting water in the outlet. Make sure not to get water in the outlets.

Replace filters

Change filters in your air conditioner vents, range filter and water filter, if needed. You should change your air vent filters every three to six months. Water filter replacement schedules will vary. Check your brand's website for details.



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Clean faucets and shower heads

Unscrew the faucet aerator and clean or replace, if necessary. Soak the heads for an hour and then rinse with warm water.

Clean out the dryer vent

You should clean the dryer lint trap regularly, but many people overlook the vent in the back, which can become a fire hazard.

Disconnect the dryer vent hose from the vent. Clean the hose using a dryer vent brush, which you can buy at any home-improvement store. Go outside, remove the cover from the dryer vent and remove all the lint with the brush. Check that the vent cover flap moves freely.

Get a head start on allergies

If someone in your household suffers from allergies, declutter your home to keep dust, and pollen at bay. Make a regular habit of dusting, and consider installing filters in air conditioner vents that especially filter out pollens.

Check foundation vents

One thing that many homeowners forget to check and clean is the vents at the foundation of the home. This is typical of houses that have crawlspaces underneath. If the vents are clogged or covered with debris, moisture can build up underneath your home and flourish.

Clean the vents by hand or use a shop vacuum, and repair any damaged screens to keep varmints from making homes under your house.

Test smoke, CO alarms

Test smoke alarms and carbon monoxide detectors, and change out batteries if necessary.