



NEWSBLAST

The Right Start

This New Year Resolve to Review Your Insurance

WHILE YOU may have made some good New Year's resolutions, to make sure that you are not leaving anything to chance you should also revisit your insurance policies.

By taking a little time, you can ensure you're adequately protected and that you won't have any unpleasant surprises if you have to file a claim. We recommend you do the following:

Talk to us

Call us or schedule an appointment to discuss your current coverages. We know the right questions to ask to see if anything has changed that may affect your liability risk, or if you may be under- or over-insured.

Going through this with us can help identify new risks and find out if you may have any impending changes that will affect your insurance needs during the rest of the year.

Revisit your policies

Yes, reading policies isn't much fun, but unfortunately most people don't go through them until they actually need to file a claim. Re-familiarizing yourself with the details can save you from headaches later.

Here are some items you may want to check for:

- The size of your deductibles. Perhaps you feel you need to save money on your monthly premiums, which can be done by increasing the size of your deductible. Or you may want to have a lower deductible in exchange for a higher premium.
- Does your auto policy include towing or the cost of a loaned car if your vehicle needs repairs after an accident? If your policy is lacking these and you feel you need this coverage, you can talk to us about adding it.
- Does your policy pay the actual cash value (what property is worth after depreciation) or actual replacement cost for property damaged by a fire or other covered event?

Note high-value purchases

You may not have contacted us after buying pricy jewelry, antique furniture, or a gigantic flat-screen TV, but it's worth the call.

This could also be a good time to consider updating your home inventory so you have

accurate coverage for your belongings and an accurate list of items like works of art, collectibles (stamps, automobiles, firearms, paintings, etc.), jewelry and antiques. Take photos of your valuables in each room and save them to your cloud for easy access in case of a loss.

Although your homeowner's or renter's policy protects valuables against a covered loss or theft, coverage is only provided up to a certain limit.

When you make a substantial purchase, it's important to review your policy and possibly increase your limits and coverage.

Also, if you got a new pet for Christmas, that could affect your coverage, so it's important to speak to us and make any adjustments necessary to keep your policy up to date.

And if you did any home remodeling or added a deck or a pool or other item, the value of your home may have increased. That means you'll need to make sure your policy covers the added value.

You may also qualify for homeowner's insurance discounts. Even small things, like adding a burglar alarm or a sprinkler system, could earn you a discount. ♦



*InterWest Insurance Services
Wishes You a Happy New Year*



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Emerging Issue

Are You an Airbnb Host? Make Sure You're Covered

IF YOU HAVE been considering becoming an Airbnb host to generate some extra income and make use of that extra room that you never use, you'll want to make sure that you are covered in case of injury to one of your guests.

You may also be concerned about theft by a guest or any damage they may cause in your abode, none of which you'd want to pay for out of pocket.

Hosts are covered by an Airbnb policy, but it's not comprehensive and those gaps could leave you exposed to a claim or lawsuit if the loss to the guest is severe enough.

Airbnb's insurance plan

Airbnb carries something called Host Protection Insurance, which all hosts are covered with at no charge. The plan will cover up to \$1 million of liability for you and your landlord (if you have one) against property and physical damage claims by third parties.

For example, if one of your guests falls down the stairs because of an obstruction and they file a lawsuit against you, the insurance could cover the cost of defending and also paying out an award.

Similarly, if one of your guests injures another guest or a tenant in the apartment building you live in, Airbnb's insurance would also cover that.

And if your puppy gets into the guest's room and devours a \$200 pair of shoes and some \$300 headphones, Airbnb's policy would also kick in.

Do you have a coverage gap?

Fortunately, most homeowner's and renter's insurance policies will cover your personal property if it's damaged or stolen by an Airbnb guest.

WHAT'S NOT COVERED BY AIRBNB

- Damage to personal property like furniture, stereo equipment, your prized china set, etc.
- Theft of your valuables.
- Sickened guest due to issues at the property, like mold.
- Slander and defamation. Both can be grounds for a lawsuit and if a guest sues a host for either one, the host will not be able to file a claim through Airbnb.
- Harm caused by intentional criminal acts. This is actually excluded on any insurance policy, even homeowner's or renter's coverage.

Homeowner's and renter's coverages will provide the extra security you need in case a guest sues you for something the Host Protection Insurance won't cover.

If you are relying on these coverages, remember these tips:

Keep the insurer updated – If something happens when a renter is visiting and the insurer does not know that the home is being rented out, there could be major issues with coverage. Insurers want and need to know about the home, who is living in it, or if how it is being used changes.

The insurer may deny coverage for business use of a home – When a home is rented out frequently, it could be considered a business. A homeowner's policy does not cover regular business activities in the home. Talk to us to discuss renting basics, renting frequency and what will happen if a guest is injured based on a current policy.

Consider landlord coverage – If you are frequently renting out your place, then you definitely may have a problem if you need to file a claim. Often, landlord insurance would cover most of the issues that would arise as an Airbnb host. ❖





Are You Insured for Invasion of Privacy by Drone?



IF YOU HAVE a new drone and are excited about flying it, one issue that you need to be aware of is invading another person's privacy, particularly if you are flying it around your neighborhood and capture images of your neighbors and their backyards.

Because most drones are also equipped with cameras, and with the continuing proliferation of social media, chances are high that someone will be posting images or video captured in their neighborhood by a drone they are flying.

In other words, drones present a new form of privacy invasion that can land you in hot water and make you the target of a lawsuit.

So, if you as a homeowner are sued, will your homeowner's policy cover the costs and any potential damages that a third party is seeking for invasion of privacy?

Some homeowner's policies may provide coverage, but it will depend on the circumstances.

For there to be a chance of coverage, your policy must include coverage for personal injury, which are claims for libel and slander, assault and battery, false arrest, and invasion of privacy.

There are two forms of invasion of privacy under most state laws:

Intrusion upon seclusion

"Intrusion upon seclusion" essentially means spying on someone in a private space. You cannot have intrusion upon seclusion in a public place, but if someone is in their backyard and expects privacy, this invasion of privacy can take place.

Intrusion upon seclusion is when someone "intentionally intrudes, physically or otherwise, upon the solitude or seclusion of another or his

private affairs or concerns, is subject to liability to the other for invasion of his privacy, if the intrusion would be highly offensive to a reasonable person."

Invasion of privacy must be intentional, and not simply a matter of negligence.

So, flying your drone over someone's backyard and spying on them could subject the drone operator to liability.

Publication of private facts

This takes the intrusion a step further and requires the publication of private information that has been collected.

So, if you gather video or photos of someone in their backyard and post it online or send it out to others, this would be considered a publication of private facts and a further invasion of privacy. ❖

YOUR INSURANCE

A typical homeowner's policy provides personal liability coverage, but it may not cover an invasion of privacy by drone because:

- Such a claim may not be covered if it was intentional. (There cannot be a negligent intrusion upon seclusion.)
- An intentional or expected injury exclusion may apply.
- The policy may include an aircraft exclusion, depending upon how the policy defines "aircraft."



Asset Protection

Why Affluence Attracts Lawsuit

BECAUSE AFFLUENT people have a lot to lose, they make attractive lawsuit targets for attorneys who represent injured parties.

This is why it is extremely important for the affluent to consider their insurance seriously. Nobody wants to lose their entire net worth and future wages because of a very bad incident.

However, this risk must be addressed before an incident happens and before it is too late to get coverage. There is no legal way to pre-date a coverage change, and dealing with a shortfall of insurance is very unpleasant and a life-altering experience.

What can happen?

All one has to do is go to Google Scholar to view the thousands of cases that have judgements of more than a million dollars.

Although the most common incident is an auto accident, lawsuits can arise from a myriad of circumstances ranging from swimming pool drownings to social media libel accusations – and everything in between.

Whether incidents are legitimate or not, people know that affluent people have money, and, because of this, they are targets.

Is bankruptcy a way out?

Bankruptcy is harder to enter for affluent people, because courts do not grant bankruptcy to those whose assets exceed their debts. Asset movements can be traced, and hiding money is not a solution.

Even if a wealthy person qualifies for bankruptcy due to a very large judgment, they will still lose much of their assets, and their credit will be damaged for at least seven years.

Bankruptcy can also adversely affect a person's employment, especially if their employer performs an employment credit check. Bankruptcy can also affect business owners, because it hinders their ability to get loans or reasonable interest rates.

Attorneys

When there is more at stake, attorneys will spend more time on a case. Attorneys in these cases often work for a contingency

of about 30%. Consequently, they have a lot of skin in the game.

They have a lot to go after, which includes your assets and your wages. They can wear you down until they get what they want or what they think the case is worth. They can emotionally drain you through this process. If they do not get what they want, they will file a lawsuit against you, which can put you in a difficult situation.

Umbrella Insurance

Insurance effectively applies in serious incidents only if you have a lot of coverage, which means an umbrella policy that covers you above and beyond the amounts of coverage provided by your auto and homeowner's liability policies.

The more coverage you have, the more protection you have against losing your assets and having your wages garnished. Affluent people should carry at least \$5 million of umbrella insurance coverage, although a few insurance companies offer \$50 million of coverage or more for the very wealthy.

There are no rules about how much coverage you should get, and getting only the amount of your net worth may not be enough, since injured parties can still come after you once your insurance company has paid its policy limits.

Discuss coverage amounts with us.

Legal protection

The best part about an umbrella policy is the legal protection that you will receive from insurance companies and their attorneys, who know how to manage these incidents.

Actually, insurance companies on average spend significantly less than someone would on their own, simply because they have the experience and expertise to handle these claims. They will manage your case and will pay damages up to your policy limits. This takes a significant load off of everyone who has the misfortune of enduring this process.

Successful people have too much going on in their lives and too much to lose. This is why it is extremely important to address insurance issues as your finances change, and not to wait for a serious incident to turn your life upside down. ❖

