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NEWSBLAST

COVID-19 Fallout

Insurers Ordered to Refund Auto Premiums

CALIFORNIA'S INSURANCE commissioner has ordered insurers doing business in the state to refund some premium payments to policyholders for personal auto insurance policies, due to the reduced risk of claims in light of the COVID-19 outbreak and the shelter-at-home order.

Commissioner Ricardo Lara issued a notice that requires insurers to "make an initial premium refund for the months of March and April" to affected California policyholders as quickly as practicable, and no later than within 120 days.

The notice, issued on April 13, covers premiums paid for at least the months of March and April — and including the month of May if "shelter in place" restrictions continue — for personal auto insurance. It also includes a number of business insurance lines, like workers' compensation, commercial auto and more.

The order for personal auto policies was made to reflect the shelter-at-home order that has reduced the risk of accidents since fewer people are driving, which has led to a dramatic drop-off in accidents.

It gives insurers flexibility in how to handle the refunds, including providing a premium credit, reduction, return of premium or other appropriate premium adjustment within 60 days of the notice.

In making the announcement, Lara cited a study by UC Davis which found that reduced driving has resulted in fewer accidents, injuries and fatalities on the roads. Declining payroll and receipts due to closure orders have also dramatically reduced risk of a liability loss for businesses.

The order comes on the heels of a handful of insurance companies, including auto insurers, that have voluntarily offered premium refunds or discounts to policyholders

because the risk of claims has fallen due to the pandemic and shelter-at-home order.

In his announcement, the commissioner also:

- Requested that insurers allow a 60-day grace period for consumers and businesses to pay insurance premiums.
- Ordered auto insurers to maintain coverage for people with an expired license and/or car registration because they've been unable to go to the Department of Motor Vehicles.
- Extended personal auto coverage for delivery drivers for California's essential businesses

The takeaway

Lara said this was the first announcement on the issue, depending on how long stay-at-home-orders are in effect.

The Department of Insurance may issue further notices if the order continues beyond May. ❖

ACCIDENT RISK PLUMMETS: *With fewer people driving, accidents have fallen sharply and so has insurers' exposure to claims.*



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Stimulus Funds

Scammers Want Your Economic Impact Check

AS WITH any time of crisis, vultures swoop to take advantage of unsuspecting consumers – and now they’re targeting people with fake COVID-19 messaging purporting to be from the IRS. Don’t be fooled, these are attempts to defraud you and even steal your identity.

The IRS says scammers are making calls and sending e-mails and text messages to taxpayers stating that they can receive their coronavirus outbreak impact payment or tax refund early by responding. The agency warns that if you receive a phone call, e-mail or text asking you for personal information so you can receive funds, you should not comply. The IRS will not reach out to you in that way.

Taxpayers should watch not only for e-mails but text messages, websites and social media attempts that request money or personal information.

Impact payment phishing attempts

The IRS and its Criminal Investigation Division have seen a wave of new and evolving phishing schemes related to the \$1,200 economic impact payments that the government said it would start paying to taxpayers in April. Many of these attempts are directed at retirees.

People that have signed up for direct deposit for their tax refunds in the past will have the funds directly deposited into their accounts. Those that haven’t, can go to the IRS website onwards to provide their banking information online on a newly designed secure IRS portal.

The IRS is mailing checks to the address on file for people who do not sign up for direct deposit.

Seniors should be especially wary as scammers will often target them during crises.

The IRS says retirees who don’t normally have a requirement to file a tax return do not have to take any action to receive their economic impact payment. It stresses that IRS personnel will not be trying to contact them by phone, e-mail, mail or in person to elicit information that can be used to complete the form on the

economic impact payment portal.

The IRS is sending these \$1,200 payments automatically to retirees, and they do not need to provide any information to receive them.

Scammer techniques

The IRS informs taxpayers that scammers may:

- Emphasize the words “Stimulus Check” or “Stimulus Payment.” The official term is economic impact payment.
- Ask the taxpayer to sign over their economic impact payment check to them.
- Ask by phone, e-mail, text or social media for verification of personal and/or banking information, saying that the information is needed to receive or speed up their impact payment.
- Suggest that they can get a tax refund or economic impact payment faster by working on the taxpayer’s behalf. This scam could be conducted by social media, or even in person.
- Mail the taxpayer a bogus check, perhaps in an odd amount, then tell them to call a number or verify information online in order to cash it.

Take action

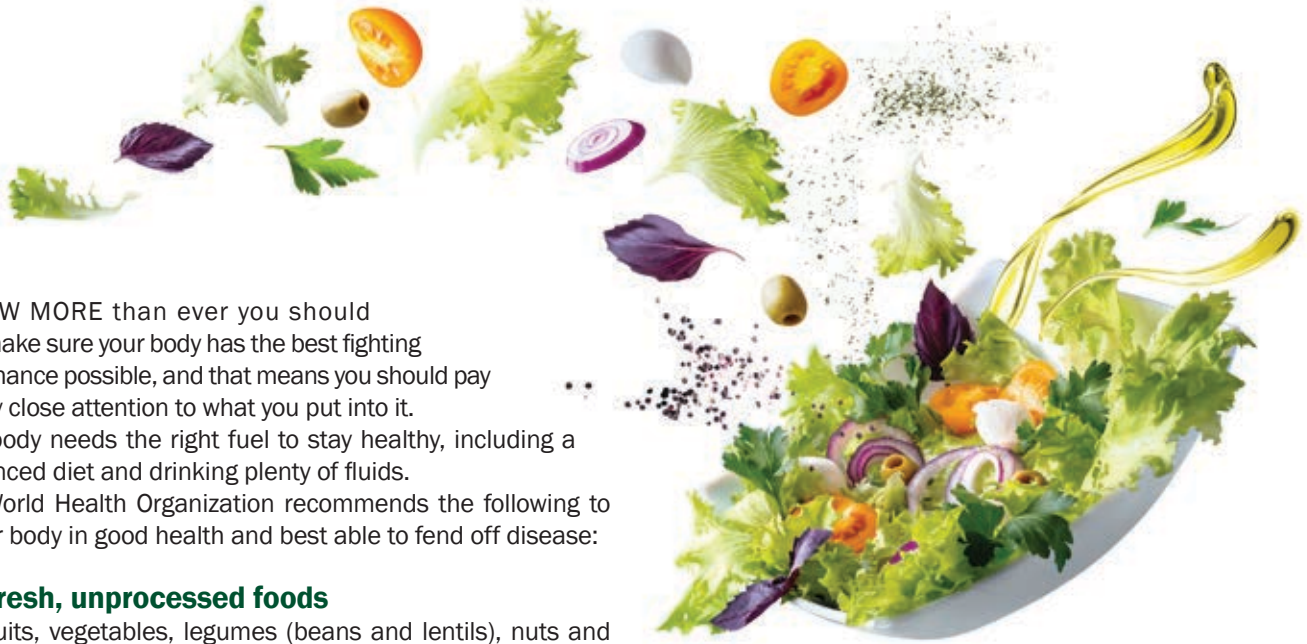
If you receive unsolicited e-mails, text messages or social media attempts to gather information that appear to be from either the IRS or an organization closely linked to the IRS, you can help shut the scammers down by forwarding the information to phishing@irs.gov.

Also, if someone calls and asks for your information for the payments, the IRS recommends that you not engage with them in any way and just hang up.

For official IRS details on the COVID-19 pandemic and economic impact payments, you can visit the Coronavirus Tax Relief page on the IRS website. ❖

Warding Off Disease

Focus on Your Health During the COVID-19 Outbreak



NOW MORE than ever you should make sure your body has the best fighting chance possible, and that means you should pay especially close attention to what you put into it.

Your body needs the right fuel to stay healthy, including a well-balanced diet and drinking plenty of fluids.

The World Health Organization recommends the following to keep your body in good health and best able to fend off disease:

Eat fresh, unprocessed foods

Eat fruits, vegetables, legumes (beans and lentils), nuts and whole grains (oats, wheat, brown rice or potato, sweet potatoes, taro and cassava), and animal protein (meat, fish, eggs and milk).

For snacks, skip the chips or ice cream and opt for raw vegetables and fresh fruit.

When cooking with vegetables, don't overcook them as it depletes their vitamins. Choose steaming over boiling as it retains vitamins as well. When you are done preparing them, they should still have some crunch to them.

Stay hydrated

Water is essential for life. Drink eight to 10 cups every day.

Try to stick with water rather than sodas, coffee or alcohol. Fruit juice is okay, but can also be high in sugar. Tea, coffee or alcohol are all diuretics, which make the body lose fluids by making you go to the toilet more.

Sodas are usually high in simple sugars with zero nutritional value. And they often have caffeine in them, like tea or coffee.

Water is best as it has no calories.

Moderate fat and oil intake

Consume unsaturated fats (fish, avocado, nuts, olive oil, soy, canola, sunflower and corn oils) rather than saturated fats (from fatty meats, butter, palm and coconut oils, cream and cheese).

When eating meat, choose white meat, like chicken, turkey or fish, which are generally lower in fat than red meat.

Avoid processed meats because they are high in fat and salt.

Choose low-fat or reduced-fat milk and dairy products.

Stay away from trans fats, which are common in processed food, fast food, chips, fried foods, frozen pizzas, pies, cookies, margarines and spreads.

Consume less salt and sugar

When cooking, limit the amount of salt, soy sauce or other high-salt condiments.

Limit your daily salt intake to less than 5 grams (approximately one teaspoon) and use iodized salt. Avoid foods (e.g. snacks) that are high in salt and sugar.

Also limit your intake of soft drinks or sodas and other drinks that are high in sugar, including fruit juices, fruit-juice concentrates and smoothies.

Eat fresh fruit rather than sugary snacks like cookies, cakes, muffins, candy or chocolate.

Eat home-cooked meals

Eating at home reduces your rate of contact with other people and lowers your chance of being exposed to COVID-19. Home-cooked meals can also be much more wholesome.

If you do order delivery food, many services are moving to contactless drop-offs or encouraging customers to take advantage of drop-off instructions to minimize the chance of spreading the virus.

Seek out counselling if needed

People living with chronic illnesses who have suspected or confirmed COVID-19 may need support with their mental health and diet to ensure they keep in good health. Also, if you are worried about bills and finances, taking care of the family or any other stresses, you are not alone and there is help available.

Seek counselling support from trained professionals, or from community-based lay and peer counsellors. ❖

Homeowner's Issues

Dog Owners Liable When Their Pets Bite



AMERICANS HAVE more than 90 million dogs as pets, according to the American Pet Products Association.

And there are more than 5 million dog bites reported each year, according to the Centers for Disease Control. Of that amount, almost 900,000 require medical care, and about 50% of cases involve kids.

While insurers will cover most dogs, some will not insure a long list of specific breeds. Dobermans and pit bulls are on many of the exclusion lists.

Some insurers do not discriminate by breed and instead determine a dog's status by individual evaluation.

If their pets bite guests or people who come on their property, owners are almost always liable for the damages. A dog does not have to be on a list of vicious breeds to make an owner liable.

If an owner knew of a dog's tendency to bite and it can be proven the dog has attacked in the past, the owner may be sued for negligence and the damages are likely to be higher than if the dog had not shown aggressiveness to humans in the past.

That said, the owner may not be liable if the dog did not have a known propensity to bite and was not considered a vicious breed. For example, a mellow basset hound biting a person for the first time may not result in responsibility by the owner.

However, a pit bull biting a person for the first time would likely result in the owner being held liable.

In some states, insurers are not allowed to deny coverage to people with certain dog breeds.

In other states, dog owners are required to buy additional liability insurance if they own certain breeds of dogs.

There are three types of laws that put liability on dog owners:

- A bite law places automatic liability on the owner for any injuries.
- A one-bite rule places liability on the owner only if they knew of the dog's propensity to bite.
- Negligence laws place liability on an owner if the owner is careless in controlling the animal.

Impact of dog bites

In 2018, dog bite claims accounted for about 35% of all liability claims among homeowners. The total amount paid by insurers in claims was over \$600 million.

The average cost in the US in 2018 for claims of this type was more than \$39,000.

Costs have risen steadily over the past few years, which is mostly due to the rising costs of medical care and the larger settlement awards for lawsuits.

Not all claim amounts are attributable only to dog bites. In addition to biting people, dogs

can also knock down children and elderly individuals, which results in additional injuries.

They can also knock cyclists off of their bikes and cause damage to both the cyclists and their bikes.

Other factors also increase the severity of some incidents and lead to higher claim amounts.



- ### PREVENTING ATTACKS
- Keep pets in crates or in a locked room when guests visit or when service workers come to the house.
 - If you have an aggressive dog, make sure you strap on a muzzle if it is around people.
 - For outdoor pets, provide sturdy fencing and a locked gate.
 - Post signs on your fence that alert people of the dog's presence.
 - If there is no fence around the yard, keep the dog on a leash when taking it outdoors.
 - Do not let strangers pet your dog.

To learn more about the insurance considerations of owning a dog, call us. ❖