



NEWSBLAST

New Coverage

Online Risks Spur Personal Cyber Insurance



AS WE have become more dependent on smartphones and computers to make many parts of our lives easier and more convenient, this connectivity and technology comes at a cost in terms of potential risks and liabilities.

We are more vulnerable to having our personal data being hacked, our identities stolen, our computers frozen and our data held for ransom. The cost of cleaning up after having your identity stolen by crafty online criminals can run into the thousands of dollars, and they may also demand a ransom to unlock your computer if you've been hacked.

And the risks keep growing in number with new forms of fraud cropping up. Recognizing this growing trend, more home insurers are adding personal cyber insurance to their offerings, usually as an endorsement – a rider – to a homeowner's or renter's policy.

For now, this market is in its infancy, but more insurers are adding coverage.

You face cyber risks in a number of ways, including:

- The banking app on your phone.
- The online accounts and passwords stored on your computer.
- Your 401(k) app on your tablet.
- Virtual assistants like Alexa, Siri and Google Home.

What's covered

Here are some of the most common risks that cyber insurance policies cover. Some policies may cover more of the risks than others, but for the most part these are pretty standard:

Financial fraud – The coverage would reimburse you for any losses you sustained as a result of an unauthorized third party using one of your online payment services (like Paypal) or apps (like Venmo) to transfer funds.

Identity theft – If your personal data is breached online and someone steals your identity, the insurance would reimburse you for the cost of rectifying records with banks and authorities, as well as any time off from work you have to take to fix the problems.

This includes the cost of a consultant who can restore credit records and personal identity.

Data restoration – If the data you store on your computer or laptop is compromised, deleted or rendered inaccessible, the policy would cover the costs for an IT specialist to clean your device of any malware and restore compromised data.

Ransomware – A growing type of cyber crime is ransomware, where criminals gain access to your computer if you click on a malicious link in a bogus e-mail. Once that link is clicked, they can gain access to your computer and freeze it, rendering it unusable until you accede to their demand of paying them a ransom, usually in Bitcoin.

Cyber insurance would reimburse you for the ransom payment and pay for the costs of IT specialists to mitigate the cyber-extortion attempt.

See 'Insurance' on page 2



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Is Comprehensive Coverage a Good Idea?



IN AUTO INSURANCE there are two main areas of covered physical damage losses: collision damage losses and losses other than collision. These two categories are often referred to as collision coverage and comprehensive coverage.

What is comprehensive coverage?

Comprehensive car insurance is auto insurance that covers loss to the insured's vehicle caused by an object, disaster or theft. In addition to theft, comprehensive covers fire, falling objects, explosions or other unexpected non-collision-related disasters.

Comprehensive insurance does not cover bodily injury. Collision reimburses the insured for the full cost of repairs or replacing the vehicle after an accident.

Certain insurers won't add comprehensive coverage to your policy unless you also buy collision coverage. But, you can usually purchase collision insurance without comprehensive. Ask us for details.

Do you need it?

You may have heard that an older vehicle doesn't need comprehensive coverage because it isn't worth as much as before. If you have comprehensive coverage, you could end up paying more for the premium each month than you would get from the insurance company if your vehicle were damaged.

Comprehensive car insurance may be useful for owners of vehicles that are less than five years old. Comprehensive coverage, along with collision, can account for 30% to 40% of your total premium.

They are also cash value coverages. If your car is damaged beyond repair, you are entitled to recoup the Kelly Blue Book (KBB) value of the vehicle.

As your car ages, the KBB value declines. So, the general rule of thumb is if both your collision and comprehensive are more than 10% of the KBB value of your car, you might want to drop these coverages.

If your car is only worth several thousand dollars, you might also consider dropping both coverages. But if you eliminate collision and comprehensive, in the event of an accident that is your fault or if your vehicle gets totaled or stolen, you will have to pay the repair bill.

Loans and leases usually require it

If you lease your vehicle or take out a loan to buy it, the dealership or bank will require you to purchase comprehensive coverage. They might also mandate the deductible your policy includes. Be sure you understand these requirements when you talk to your insurance agent about coverage for your new vehicle.

Factor in the deductible

If you decide to carry collision and comprehensive (whether your car is five years old or 15 years old), you should consider choosing the highest deductible you can afford. This will lower your premium considerably. \$1,000 is the most popular deductible for this type of coverage. ❖



Want us to determine if you may need comprehensive coverage?

Call Us: (800) 444-4134

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Insurance Can Cover Costs Associated with Cyber Bullying

Cyber liability – If you are sued because someone accuses you of facilitating a transfer of data that was orchestrated by a cyber attack on your device without your knowledge, the insurance would step in to provide coverage.

Cyber attack on an internet-connected device – If a cyber attack results in you being unable to access your home or needing to replace an electronic device, the coverage will reimburse you for the associated costs of unlocking your home or replacing the items.

Cyberbullying – This coverage is twofold: It would cover the costs if you are sued if your child is cyberbullying, or if one of your family members is the victim of cyberbullying and they need

psychological counseling or legal advice.

It could also cover the costs of restoring your online reputation. To do this, you would need to hire an IT specialist who would attempt to remove or suppress offensive online content directed at your family member.

The takeaway

Want to know more about personal cyber insurance and if it's right for you and your family?

Call us and we can walk through your risks with you and see if there is a policy that would fit your needs. ❖

Personal Risk

All-Terrain Vehicles Not All Fun and Games

THE INSURANCE Institute for Highway Safety has issued a warning over the increasing number of deaths from all-terrain vehicle (ATV) crashes on public roads.

Between 2015 and 2017, 1,671 people died in ATV accidents on public roads – 90% of them males, according to the U.S. Consumer Products Safety Commission’s “2020 Annual Report on ATV-related Deaths and Incident.”

Beyond the fatalities, hundreds of thousands of riders visit trauma centers for their injuries every year.

From 2015 through 2019, CPSC staff estimates that there were 524,600 emergency department-treated injuries in the United States associated with all terrain vehicles. The report also estimates that there were 140,000 emergency room visits during the period for children younger than 16.

More than three-quarters of the 11 million ATVs in America are used recreationally, while the rest are reserved for agricultural and industrial work, according to the ATV Safety Institute.

There are two factors contributing to this rash of deaths and injuries. Young, thrill-seeking males, and a vehicle designed for off-road use traveling on public roads.

Local and state-level efforts have focused on enacting laws to restrict off-road

vehicles to designated trails; however, the need to allow limited travel on roadways when accessing those trails complicates matters.

So, if you have an ATV or two, make sure that you or whoever is riding them takes the proper safety precautions.

Accident types

Typical beginner accidents result from driving too fast for conditions or exceeding abilities. Novices are already more susceptible to exercising poor judgment, but when they travel with experienced riders, they often overreach their abilities in order to keep pace.

Handlebar kickback – losing hold of the handlebars after colliding with obstacles – is particularly problematic for beginners.

Insurance

If you own an ATV you should also secure insurance for it to cover any damage or injuries you may cause with it, as well as comprehensive if it is stolen or vandalized. ATV coverage will often have a medical payments coverage if you or a friend is injured using the ATV. ❖

THE ATV SAFETY INSTITUTE’S GOLDEN RULES:

- Always wear a helmet, goggles, long sleeves, long pants, over-the-ankle boots, and gloves.
- Never ride on paved roads, except to cross when done safely and permitted by law.
- Don’t drive on terrain beyond your abilities.
- Never ride under the influence of alcohol or drugs.
- Never carry a passenger on a single-rider ATV, and no more than one passenger on an ATV designed for two people.
- Ride an ATV that’s right for your age.
- Supervise riders younger than 16; ATVs are not toys.
- Ride only on designated trails and at a safe speed.
- Take an ATV Rider Course. The ATV Safety Institute has a free online course at: www.ATVSafety.org.



HOMEOWNER'S INSURANCE

Home Inventory Crucial for Getting Claims Paid

YOU'VE HAD a fire and many of your possessions have been singed to a crisp. It's time to file that homeowner's claim, but can you remember everything that was destroyed?

This is a regular problem for homeowners when they file claims. They just can't recall everything that was lost, let alone how much the items cost. Without that information it will be hard to make your claim and be reimbursed for your loss.

To make sure you don't find yourself in this predicament, one of the smartest things you can do is create a home inventory. But do you know how to put one together? And where to start?

The first thing you should do is go through your policy with your agent. You should try to ascertain:

- If your possessions are covered for their replacement value or actual cash value.
- If you have unique items that may need special endorsements to your policy.
- If your recreational items (skis, bikes, golf clubs) are covered.

Creating Your List

1. Take pictures of your home

Start with the outside from different angles, as well as any outdoor structures, decks, patio furniture, decorations and landscaping.

Then move inside and photograph each room from enough angles to cover all of the furniture and items. Since it costs nothing to take photos these days with your phone, snap away. The more shots the better.

2. Go through every drawer and closet

Go through your drawers and list all items that would need to be replaced. For each item you should document when you purchased or received it. Where you got it from and how much it cost. If you have receipts, that's even better. If you don't keep receipts of your big ticket items, you should.

Scan receipts to keep with your home inventory. Keep the receipts of new household purchases in a special folder so you can update your inventory once a year.

After going through your drawers, move to the closets. Take pictures and separate items that have a value of more than \$300, and take photos.

3. Electronics

Take photos of each electronic item (TVs, mobile phones, stereos, computers, tablets). Make sure that you also photograph the model and serial number of each item.

4. Fine china, crystal

If you have nice dinnerware in your home, you should take a picture of each item front and back so that the logo is showing. Also take pics of any crystal glasses or decorative items you possess. Take a picture of where you store these items.

5. Garage

In your garage you likely store power tools, hardware, garden equipment, sports equipment, bikes and more. Take pics and document it all.

6. Special items and things with sentimental value

Do you keep any collections of valuable items?

If so, you should make sure that it's all documented and you have photos.

Also, if you have special photo albums and family heirlooms, make sure you document those too.

Finally, don't forget any luxury or rare items that you have at home. ❖

KEEP HOME INVENTORY SECURE

Finally, don't forget that your home inventory could be destroyed in a fire. You can store it all on a flash drive or CD. Keep one copy at home and another someplace else, like your office, another family member or a safe deposit box.

