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INSURANCE SERVICES, LLC




NEWSBLAST

Identity Protection

Your Tax Refund Has Been Stolen…Now What?

We hope that you've filed your tax return on time this year and that you're going to receive a nice refund check from the IRS.

We also hope that you're not one of the growing number of Americans who are being cheated out of their refund checks by fraudsters who specialize in identity theft.

If you are, you'll know it when you receive a letter from the IRS rejecting your tax forms because they've already been filed. In other words, someone else has filed in your name.

If you've received a notice from the IRS stating that more than one return has been filed in your name, or if you believe your identity has been used fraudulently, *Money* magazine recommends that you:

Report the fraud quickly

You can start by calling the IRS Identity Protection Specialized Unit at 800-908-4490. They will ask you to also fill out an identity theft affidavit, known as Form 14039. Once you've filed that, the IRS can put an alert on your account.

After that you should receive an identity protection personal identification number – essentially a PIN number that you can use along with your Social Security number on future tax returns.

It's also a good idea to file a report with the police, as someone may have simply stolen your check from your mailbox.

If you live in the tax fraud hotbeds of Florida, Georgia and Washington D.C., you can apply for a PIN without having been an ID theft victim, thanks to a new IRS initiative. To get the six-digit number, you need to register and verify your identity online. You can sign up on the IRS website.

Gather evidence

It's a good idea to gather up all of your files if you have to report the theft of your tax refund to the IRS. It's recommended that you have copies of your tax returns dating back for about three years when you contact the IRS, to help get your case moving faster.

You should also file a theft report with the local police or sheriff's office.

You should also have at the ready your driver's license, birth certificate, passport, two recent utility bills and your marriage certificate if you're married. The IRS will likely ask you to make copies of these documents as well as the police report, so the agency can get to work on verifying your real return and determining if the other one was fake.

Notify credit bureaus

If someone has cloned your identity enough to steal your tax refund check, they may also have enough information to open new credit accounts in your name.

That's why your next step should be to set up fraud alerts with the three major credit reporting bureaus: Equifax, Experian and TransUnion.

The alerts warn potential creditors or lenders that you have been the victim of identity theft and that they have to verify your identity before issuing you credit. This is another reason to file a police report.

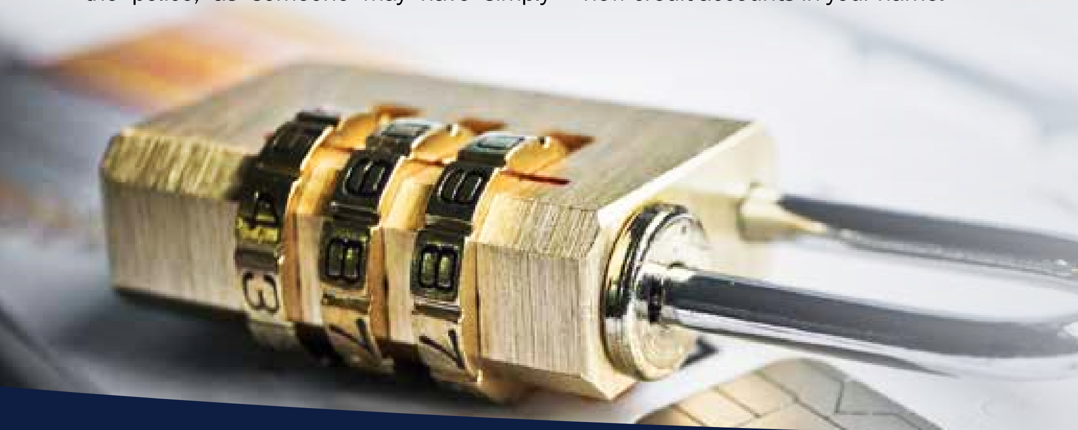
Fraud alerts, which are free, expire after 90 days. After that, if you feel it's warranted, you can set up an additional alert.

If you are really concerned, you can place a credit freeze on your credit history, which will prohibit creditors from accessing your history and thus denying any new credit applications. That's free with a police report, and usually about $10 without one.

Check your credit report

You should also ask each of the three credit agencies for a copy of your credit report so that you can see if anyone has opened any new account in your name. The agencies offer these free once a year, so take advantage of it.

If you see errors in the history, you should dispute the accounts with the credit history agency and also notify the creditor that you didn't open the account.❖



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HOME & AUTO

Gaps in Your Policy Coverage Can Leave You Exposed

YOU MAY have auto insurance and home or renter's insurance in place to make sure you are covered in case of an accident.

But, depending on the circumstances of a claim, you may have coverage gaps in your insurance, and policyholders that do put themselves, their family and their possessions at risk.

You should review your policies to see if you have any of the following gaps in your coverage:

Coverage for your valuables

This would include:

- Any collections (coins, stamps, art, etc.),
- Pricey jewelry or watches,
- Electronics.

Most homeowner's policies will typically have a set limit for loss or theft of personal items, such as $3,000.

Umbrella policy

Regardless of whether or not you're at fault for an accident, you can still get hit with a personal injury or liability lawsuit. And when that happens, you can expect extra costs to mount quickly, what with lawyers' fees, hospital bills, pain and suffering payments.

All of that combined could quickly exceed your homeowner's or auto policy limit, and then your assets would be at stake.

Transportation expenses coverage

Does your policy cover a rental car or other form of transportation if your vehicle ends up in the shop after an accident? If not, some carriers offer a transportation expenses rider.

Transportation expenses coverage can apply to two types of claim: a comprehensive claim (resulting from something other than collision, such as fire, theft or vandalism) and a collision claim (resulting from physical damage to your vehicle caused by rolling over or hitting another vehicle or object).

After a comprehensive occurrence, a transportation expenses policy kicks in to provide a set coverage for a rental car.

Flood insurance

The federal government offers coverage through the National Flood Insurance Program. It's definitely worth considering, as people who live outside of high-risk flood areas file more than 20% of claims with the program.

Not keeping your homeowner's insurance up to date

If you've made upgrades to your home, tell us about it before your next policy renewal. If you don't, you run the risk of coming up short if you have to rebuild after a total loss.

Report to us all remodeling or renovations, so we can help determine the effect on your home's replacement cost. Typically, guaranteed replacement cost rules require that you report home improvements worth more than $5,000 within 90 days of completion.

As you can see, there is plenty that's easy to overlook when it comes to your insurance and protecting yourself and your assets. If you're concerned about any of these issues, call us today. ❖

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Asset Protection

Have You Insured Your Boat or Personal Watercraft?

It's summertime and for many that means leisurely weekends on the river, lake or ocean on their boat or personal watercraft like jet skis.

But just because you're out on the water doesn't mean there aren't risks, to you and others – or to your watercraft. But what kind of coverage do you need? Should you just purchase coverage similar to what you have for your car?

In fact, insuring a small boat or personal watercraft is similar to buying insurance for your car, while buying insurance for a yacht is more like buying homeowner's insurance.

First off, your homeowner's insurance does not extent to your boat, but it may extend coverage if it's a small one with no engine, like a rowboat or a simple sailboat. But if you buy a boat for more than $10,000, your homeowner's policy won't cover it.

So for most of us who purchase a boat, you should also make sure it's covered properly.

Watercraft insurance explained

Like home insurance, a boat policy covers you for liability if someone is injured on your craft. The insurer will also give you a choice between replacement cost or cash value in case of a total loss such as a fire or if you have an accident bad enough that will require the boat to be totaled.

Like auto insurance, a boat policy typically includes coverage for bodily injury that your boat inflicts on others, property damage that it inflicts on docks and other boats, and physical damage to your craft should you hit something or run aground.

And like auto insurance you can purchase:

- Comprehensive insurance to cover against theft, vandalism and fire.
- Personal property coverage for any personal possessions you may keep on the boat.
- Uninsured boater insurance in case someone who is not insured plows into you.
- Roadside assistance in the event you need a tow.

However, many insurers will allow you to lay up or suspend coverage for a specific period of time during the year when you won't be using the boat. But you need to be aware of the time period during which your boat is insured.

Some boat owners have been caught unawares when they have an accident on a nice sunny afternoon in late October, when their policy specifies it's only covered from April 1 to Oct. 1.

Agreed vs. market value

When deciding on insurance you need to decide if you want the "agreed value" covered or the "market value" covered.

Under agreed value, you and the insurance company agree on the value of the boat up front so if you need to make a claim for serious damage, the insurer will pay you up to that amount.

However, with market value, the insurer will pay up to the current market value (new price minus depreciation) if the boat is totaled. Insuring the market value can save you up to 25% on the premium, depending on the insurer.

Typically, if you own a new boat you may want to go with agreed value since the boat, much like a car, will depreciate once you take it out of the showroom.

Here are three other tidbits of information you may want to know:

- If you are towing your boat and the boat is damaged, the car policy will cover it and the limits of that policy apply.
- If the boat is out of water and parked at your home, the watercraft insurance will typically not cover damage, vandalism or theft. That would be covered by your homeowner's policy. In this case, an umbrella policy is recommended.
- Most boat insurance policies have navigational limits, meaning that the boat will only be covered in a certain geographic area. ❖

Reducing the Cost of Insuring Your Teen

WHILE TEENAGERS react with glee when they get their driver's license, for parents it is a time of angst and higher insurance premiums.

Sticker shock is not uncommon when parents receive that first quote for coverage, but there's a reason for those higher rates.

Teen drivers are unproven and due to their lack of driving experience, insurers try to protect themselves with higher premiums. And they do so for a valid reason: statistics show that teenagers are involved in a higher number of accidents with fatal or critical injuries than more experienced older drivers.

But don't fret. There are a number of ways to reduce the cost of teen drivers' insurance costs. Here are seven of them:

- **Choose an older model car.** Less flash will save you money. Two measures of insurance costs are horsepower rating and the theft rate. Older cars also have a lower book value, which in turn reduces the insurance premium.
- **Consider raising your deductible.** A higher deductible results in lower monthly premiums.
- **Good student discount.** You don't need to have an honor student to qualify, but every insurer has its own definition of a good student.
  Teens may still qualify even if they aren't at the top of their class, and some discounts carry over to college.

Good Student Discount 101

To qualify for a discount of up 20%, the student would typically need a B average or higher for all subjects combined. Many insurers offer discounts to students up to 25 years old.

- **Buy a safe car.** Your teen's insurance rates will be lower, and you will be less worried about your child when they are driving solo. You can check safety ratings at *www.iihs.org*.
- **Discounts for safe drivers.** Some insurers offer discounts for driver-safety programs, cutting costs for kids who take a special class, watch a DVD or read a driver safety book and take a test.
- **Explore multi-policy discounts.** Many insurers will give you a discount if you insure both your home and car with them. You may get an additional discount if you include an umbrella policy. This provides extra liability coverage beyond your auto insurance limits and can be particularly valuable when you have a teenage driver.
- **Drop some coverage.** Consider dropping collision and comprehensive coverage on older cars that are worth little more than the deductible. You may be paying more in premiums than you could ever get back from the insurer, even if the car is totaled. ❖

Don't Cut Policy Liability Limits

Whatever you do, don't cut back on your teen's liability coverage in your drive to reduce your insurance premiums. Try to aim for the following limits at a minimum:

- $250,000 per injured third party,
- $500,000 per accident, and
- $100,000 for property damage.