



NEWSBLAST

Costly Problems

Protect Your Home from Water Damage

WHILE MOST people are understandably concerned about insuring their homes against fire loss, that risk is not what causes the most losses for homeowners. Water damage is a more common threat and statistics show that one out of every five homes will experience some kind of damage from water each year. In fact, only wind and hail damage occurs more frequently.

A little bit of water can cause a lot of damage. Two inches of water in a 2,500 square foot one-story home can cause almost \$27,000 in damage.

The problem is more than just the monetary cost; water damage losses can disrupt your life for long stretches of time. A Texas woman lost the use of her downstairs for months after a household pet chewed a hole in a soft water line.

Risks include:

- Water escaping from leaky hoses and worn or poorly fitted connections.
- Water damage from worn or corroded pipes.
- Water can reverse course in clogged drains or toilets.
- Rain can enter through holes in a roof or through an open or damaged window.
- Water can seep in when a stream overflows its banks.

What you can do

You can take a few simple steps to prevent your downstairs from becoming a pond:

- If water is running from your plumbing to your floor, minimize damage by stopping the flow. Shutoff valves are under sinks, against bathroom walls and in basements.
- Check appliance hoses and faucets for leaks.
- Look for cracks and loose connections in pipes. Get them repaired immediately.
- Check showers and tubs for worn-out caulking. Reseal as necessary.
- Install a water leak detection system. Some insurers offer a discount if you have one.

If you have water damage...

If you suffer water damage, insurance may pay for losses depending on the damage.

While all homeowner's insurance policies differ somewhat, they typically cover damage from water that escapes from pipes in ceilings, floors and walls.

They will also cover damage from water that enters through the roof (though not the repairs to the roof, unless it was also damaged in an incident), or through a window broken during a storm.

Some companies offer coverage for an additional premium that will pay for damage when a toilet or a drain backs up.

It is important to know that virtually no policies will cover damage caused by floods, tidal waves, melting snow, heavy rainfall, or ground water seeping into the house.

Some of these losses may be covered by flood insurance, available either directly from the federal government or from an insurance company selling it on their behalf.

Water can cause enormous damage to your home and result in incredible inconvenience. Prevent these accidents if you can – and have the right insurance protection. ❖



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Evolving Risk

Marijuana and Personal Insurance Coverage

AS MORE states legalize marijuana for medical and recreational use, the associated risks of increased cannabis use may start affecting individual insurance coverage.

The effects span across a number of insurance lines, including homeowner's and auto insurance. There are number of issues that may arise when cannabis enters the equation, such as growing plants on your property, driving under the influence and qualifying for life insurance.

Here's a look at some scenarios that could affect your coverage.

Homeowner's insurance

Depending on the terms of the homeowner's policy, loss of or damage to the substance itself inside the home may be covered. Some policies may not cover "contraband" or illegal property, and marijuana remains illegal under federal law.

Check the policy's list of property not covered. Remember also that the insurance company will pay only the amount of the loss that exceeds your deductible.

Plants growing outdoors may also be covered. However, the insurance typically applies only to losses caused by select perils such as fire or lightning. It is common for policies to limit the amount of insurance that applies to any one plant.

Your coverage may be more limited if you are growing plants with the intention of selling the product.

Plants grown for business purposes are typically not covered. Policies often provide a reduced amount of insurance on property used primarily in a business, so heating lamps, climate control equipment and other

types of property used in growing operations will have limited coverage.

Also, a structure separated from the house, such as a shed, greenhouse or detached garage, may be completely uninsured if a business is being conducted from it.

Homeowner's insurance also covers legal damages if you are liable for someone else's bodily injury or property damage. However, your policy may not cover injuries or damage resulting from the use of marijuana or from the conduct of a business.

Your insurance company may be particularly concerned if you are growing plants indoors. If the growing space does not have proper ventilation, there could be a build-up of moisture, leading to mold and mildew problems. Also, light sources that help the plants grow can present a fire hazard if not wired correctly.

Auto insurance

Auto insurance policies commonly provide liability coverage and coverage for damage to your vehicle even if the driver was intoxicated at the time of the accident.

However, even if the policy provides coverage, a conviction for driving while under the influence of a drug will send your premiums soaring and make it more difficult for you to purchase coverage.

In California, drivers with records of these offenses, and who insurers subsequently refuse to cover, are forced to buy high-priced policies from the California Assigned Risk Plan. Your rates may also be higher if you work for a cannabis company and make deliveries with your personal vehicle. ❖

THE TAKEAWAY

As the laws evolve, so will insurance coverages. Some companies may decide to cater to personal marijuana growers by offering them special coverages for equipment, plants, and more.

In the meantime, your coverage depends very much on where you live and what your particular policy says.



DOG BITE CLAIMS

How a Pet Affects Your Homeowner's Policy

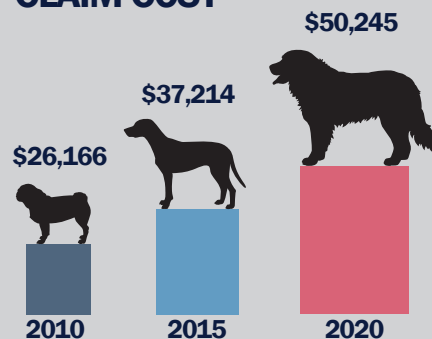
THERE ARE more than 68 million dogs in the U.S. and while they make for great companions and keep our homes safe from intruders, they can also be a significant liability.

The Insurance Information Institute estimates that one out of every three homeowner's claims is for a dog bite. In 2020, nearly \$854 million was paid out in home insurance liability claims that were related to dog bites, according to the institute.

In 2020, there were 16,991 dog bite claims, with the average claim costing \$50,245. That's compared with \$44,760 in 2019 and \$26,166 in 2010.

As you can see, owning a dog can cost you more than dog food and squeaky toys and, if you are not properly insured, you can end up paying out of pocket for any medical costs for a house guest that your pet attacked.

AVERAGE DOG BITE CLAIM COST



Source: Insurance Information Institute

What insurance covers

Most homeowner's and renter's insurance policies include dog bite liability coverage. The policy covers you for dog bites on your property as well as incidents that take place away from your home. If you took your dog to the beach and he attacked a sunbather, your homeowner's insurance policy would cover you.

Sometimes people sue and demand compensation for "pain and suffering." The policy would cover legal costs, judgments or any settlements the lawyers hash out up to the policy limits.

Maximum coverage typically ranges from \$100,000 to \$300,000 in most homeowner's policies. You can get additional coverage if you purchase an umbrella policy, which adds to your homeowner's limits.

An insurance company usually won't decline to write a policy for a homeowner with a dog, but if you file a claim, the insurer may choose to raise your rates or exclude the dog from the policy upon renewal.

Some insurers will exclude certain breeds from coverage altogether, such as rottweilers, German shepherds and pit bulls.

In case of attack

If your dog bites someone, first restrain the animal and see what damage has been done. Stay calm and be understanding with the victim, who may be traumatized.

If the victim is not seriously hurt, exchange contact and insurance information with them. You may offer to drive them to the emergency room or call 911 in more serious incidents.

If the dog bite was severe enough to break the skin, the victim's health care professionals will want to see proof of a rabies vaccination.

When you return home, call your insurance company and report the claim. ❖



HOMEOWNER'S RISKS

Remember Safety When Barbecuing This Summer

EVERY YEAR, millions of Americans safely enjoy outdoor barbecues, but accidents do happen.

According to the U.S. Fire Administration, fire departments respond to an estimated average of 10,600 home structure and outdoor fires involving grills per year. These fires cause an average of 10 deaths, 160 injuries and \$149 million in property damage annually.

The majority of grill fires are caused by malfunctioning gas grills. In addition, thousands of people visit emergency rooms every year because they have burned themselves while barbecuing.

In the rare instance of a grill fire spreading to your property, your homeowner's insurance would provide financial protection as fire is a covered peril. A homeowner's policy covers the following:

- Damage to the house itself.
- Damage to personal possessions such as lawn furniture.
- Damage to insured structures on your property, such as a deck or shed.
- Injuries to a guest, under the liability portion of the policy.

Whatever the damage, you will be responsible for the deductible portion. So if damage is less than your deductible, it may not make sense for you to file a claim.

That said, the best way to enjoy a summer of outdoor barbecues is to take steps to prevent accidents, including maintaining your grill and using it safely.

Grill maintenance and storage

Gas grills are generally safe if they are properly maintained and checked for leaks. When setting up at the start of each grilling season, you should:

- Check grill hoses for cracks, holes and brittleness. Look for

blockages as well, especially in the tube that runs to the burners. Clear blockages, which can be caused by food drippings, spiders or insects, with a wire or pipe cleaner.

- Run a soap solution (half liquid soap, half water) along hoses and at connections, then open the valve at your tank and check to make sure that gas isn't escaping, which will be indicated by bubbles at the leaking points.
- Adjust hoses as needed away from hot areas or where grease might drip on them.
- Store propane tanks outside, away from your house. Always check to make sure valves are turned off.

Safe BBQ practice

When barbecuing, use common sense and follow these guidelines:

- Operate your grill on a level surface, away from your house, garage and landscaping. Don't move the grill once it is lit.
- Keep children and pets away from the grill.
- Protect yourself, or whoever is doing the grilling, with a heavy apron and oven mitts that reach high on the forearm.
- For charcoal grills, use only lighter fluid designed for grilling.
- Never use gasoline or other flammable liquids, and never add more lighter fluid once the fire has started.
- Never grill indoors or in enclosed areas. Charcoal grills will produce carbon monoxide fumes, which can be fatal in unventilated areas.
- Keep a fire extinguisher nearby the area you are grilling.

When you're done with your cooking, remember that the grill will remain hot for a while. Don't cover or store your grill until it has cooled, and soak coals with water before throwing them away.❖



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