



**INTERWEST**  
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**NEWSBLAST**

## Car Owners' Issues

# Have You Checked If Your Car Is Subject to Recall?

**O**VER THE past five years, 150 million vehicles have been recalled by manufacturers in the U.S. It's great that regulators and auto makers are constantly looking for issues that can cause danger to drivers and passengers, and recalls have likely saved thousands of lives. The problem is that not all drivers are taking the recalls seriously.

In fact, the National Highway Traffic Safety Administration estimates that about 25% of car owners do not respond to a recall. For the safety of yourself, your family, your passengers and the general public, you should always participate fully in recalls, which are always free safety fixes.

It's also important to understand from the manufacturer whether or not your vehicle is safe to drive until the repair is completed. In some cases, the risk of injury will be far too great and you will need to bring the car in immediately. This is exactly the case with one of the most widespread recalls to date: Takata airbags.

The recalls started in 2014 after it was discovered that some Takata inflators can explode with excessive force and spray metal shrapnel into passenger compartments. They are suspected in dozens of deaths worldwide and hundreds of injuries worldwide, and recalls related to Takata inflators continue to this day.

The defective airbags have been installed in vehicles that were made as long ago as 2001 and virtually every major brand – American, Japanese and European – has used Takata airbags in at least some of their vehicles.

Takata airbags have been connected to at least 37 deaths worldwide, with 19 of those deaths – along with more than 400 injuries – occurring in the United States alone. And while roughly 67 million Takata airbags have been recalled, about 17 million have not been replaced.

If you've bought a car in the last two decades, there is a strong likelihood that it came installed with an airbag manufactured by Takata. If so, you may have received a letter from the carmaker informing you that you need to go in and have the airbags swapped out.

### Don't ignore the letter

The worst thing you can do is ignore this letter, as it will cost you nothing to fix the airbags except time.

And if you haven't received a letter and have a vehicle that was made since 2001, you should check to see if your car is on the recall list. If you don't, you could be putting your life and the lives of your family in danger if you have an accident.

If you have a used car, you would be unlikely to ever receive notifications of recalls. But you can also check for any recalls that apply to your vehicle on this website.

### The takeaway

Regardless of if your car seems to be running fine or the repair seems minor, ignoring a recall could put you and your passengers in harm's way. Take all recalls seriously. ❖



**INTERWEST**  
INSURANCE SERVICES, LLC

8950 Cal Center Dr., Bldg 3, Suite 200  
Sacramento, CA 95826

Phone: (800) 444-4134

Fax: (916) 979-7992

E-mail: newsletters@iwins.com  
www.iwins.com

CA License No.: 0B01094

## Homeowner's Insurance

# Are All Structures on Your Property Properly Insured?

**Y**OUR HOMEOWNER'S insurance policy protects you from having to pay on your own for damage to your home caused by fire, wind, smoke and other causes.

However, your home might not be all you have to worry about. Does your property have a gazebo? A deck? A pool? An outside kitchen? A shed? A fence?

If you answered "yes" to any of these, the good news is that your policy covers those structures, too. The real question then becomes whether it's providing enough insurance to cover the cost of rebuilding or repairing them.

The standard Insurance Services Office (ISO) Homeowners 3 – Special Form, which many insurance companies include in their policies, covers "other structures" on the grounds where the home sits.

The insurance company will consider a structure to be an "other structure" and not part of the house if it is separated by clear space from the house.

They will also consider it to be separate if it is connected to the house only by a fence, utility line or something similar.

It is common for a policy to insure all of these structures for an amount equal to 10% of the amount of insurance on the house. For example, if the policy provides \$300,000 coverage on the house, it will provide \$30,000 for other structures.

Whether that will be enough depends on how much it will cost to repair or replace them, and how many there are. If a home has a stockade fence, a large deck and a shed, the cost of replacing all of them after a fire may wipe out the amount of insurance.

## Other Structures Coverage Details

- Most homeowner's policies do not cover damage to a fence, patio, pavement, swimming pool, pier, wharf or dock that results when water or ice freezes, thaws, puts pressure on or puts too much weight on them.
- Just like the house and the contents inside it, these structures are almost never covered for losses caused by earth movement, floods, power failure, neglect, or extra costs from the enforcement of updated building codes.
- The standard policy form permits the insurance company, when one of these structures that is not a building is damaged, to pay the lower of:
  - The cost to repair or replace it.
  - The structure's "actual cash value."

Actual cash value is typically the cost of replacing an item minus an amount for depreciation. If a 10-year-old fence would cost \$10,000 to erect today, and it has a useful life of 15 years, the insurer can deduct two-thirds of that amount from the \$10,000.

The result is approximately \$3,333. The company would compare that to the cost of repair. If repairing it would cost more, the insurer would pay the lower amount.

### What you can do

- Find out what the cost would be to replace the structures on your property that are not attached to the house. Compare that figure to the amount of "other structures" insurance your policy provides. Your current policy may provide enough, but find out whether the insurance company will depreciate the value of a deck or similar property.
- We can offer you coverage options, so give us a call. The ISO form is the standard, but it is seldom sold unchanged.

Also, insurance companies products are not identical. It pays to compare alternatives. Some carriers might offer larger amounts of coverage on other structures, and some policies might not permit the company to depreciate the property.

Your homeowner's insurance should provide you with as much protection as possible for the price you can afford. Find out before something happens how well it protects the valuable structures on your property besides your house. ❖





## Safety Planning

# Preparing Your Family, Home for an Earthquake

**E**ARTHQUAKES STRIKE suddenly, and without any warning. They can occur at any time of the year and at any time of the day or night. They are not dependent on weather changes.

There are 41 states and territories in the United States at moderate to high risk from earthquakes, and they are located in every region of the country. But California experiences the most frequent damaging earthquakes.

### Planning for a quake

Develop an earthquake family disaster plan. Everyone should know what to do in case all family members are not together.

Discussing earthquakes ahead of time helps reduce fear and anxiety and lets everyone know how to respond. Your plan and discussions should include:

- Picking “safe places” in each room. A safe place could be under a sturdy table or desk, or against an interior wall away from windows, bookcases or tall furniture that could fall on you. The shorter the distance to move to safety, the less likely you will be injured. Injury statistics show that persons moving more than 10 feet during an earthquake’s shaking are most likely to experience injury.
- Practice drop, cover and hold-on in each safe place. Drop under a sturdy desk or table, hold on, and protect your eyes by pressing your face against your arm. Practicing will make these actions an automatic response. Do this twice a year.



- Talk with us. Different areas have different requirements for earthquake protection. Study locations of active faults, and if you are at risk, consider purchasing earthquake insurance.
- Get training. Take a first aid class from your local Red Cross chapter. Get training on how to use a fire extinguisher from your fire department. Keep your training current. Training will help you and your family to keep calm and know what to do when an earthquake occurs.

### Home preparations

Besides preparing your family, you also need to prepare your home. The Red Cross Society also recommends that you:

- Keep a flashlight and sturdy shoes by each person’s bed in case the earthquake strikes in the middle of the night.
- Make sure your home is securely anchored to its foundation.
- Bolt and brace water heaters and gas appliances to wall studs.
- Bolt down book cases, china cabinets and other tall furniture to wall studs.
- Hang heavy items, such as pictures and mirrors, away from beds, couches and anywhere people sleep or sit.
- Brace overhead light fixtures.
- Install strong latches or bolts on cabinets. Large or heavy items should be closest to the floor.
- Learn how to shut off the gas valves in your home, and keep a wrench handy for that purpose.
  - Learn about your area’s seismic building standards and land use codes before you begin any new construction or make upgrades to your home.
    - Keep an emergency supplies kit in an easy-to-access location.❖

## Coming of Age

# Helping Your Teen Become a Good Driver

**O**NE OF the most nerve-wracking times for a parent is when their teenage son or daughter takes to the road for the first time behind the wheel of the family car.

Parents worry about their child's safety as well as the potential damage they may cause.

Motor vehicle crashes are the leading cause of death among 15- to 20-year olds, according to the National Center for Health Statistics.

Immaturity and lack of driving experience are the two main factors leading to the high crash rate among teens. Teens' lack of experience affects their recognition of and response to hazardous situations and results in dangerous practices such as speeding and tailgating.

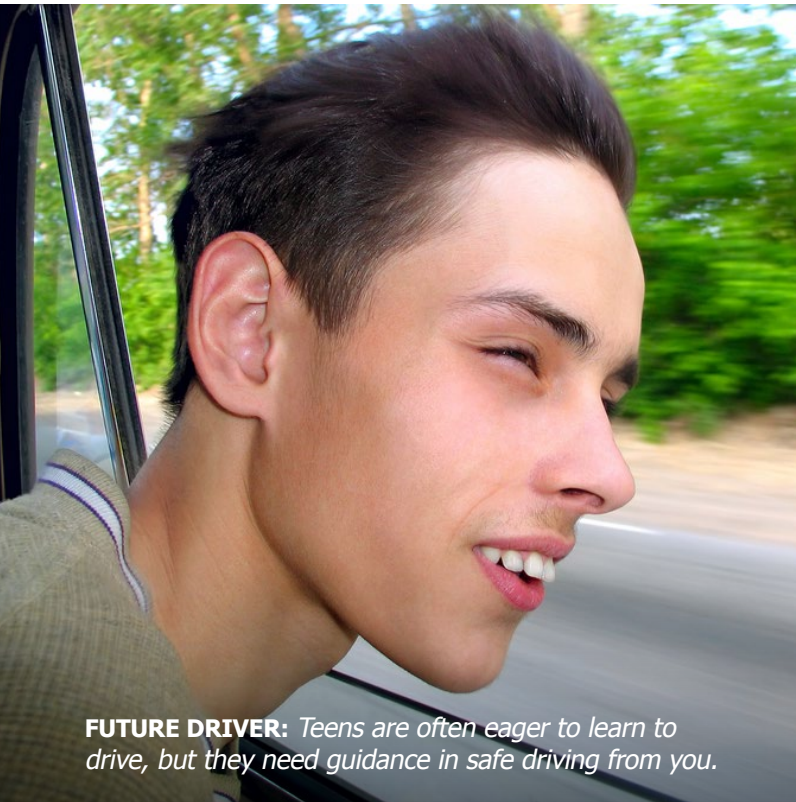
Other major contributing factors to the higher crash risk of young drivers are night driving and teen passengers.

Teenagers are involved in more motor vehicle crashes late in the day and at night than at other times of the day. They also have a greater chance of getting involved in an accident if other teens are present in the vehicle.

Fortunately, almost all states, including California, now have graduated driver licensing (GDL) laws that include a three-phase program that allows teen drivers to develop more mature driving attitudes and gain experience behind the wheel.

And a number of studies have shown that these laws are effective in reducing accidents.

You should familiarize yourself with the law in California and use other methods to help reduce the chances of your teenager and his or her friends being hurt, or worse, in a collision.



**FUTURE DRIVER:** *Teens are often eager to learn to drive, but they need guidance in safe driving from you.*

## The dangers

While the numbers for injuries and deaths for teen drivers are staggering, they have been declining thanks to these GDL laws.

Between 1996 and 2010, the death rate for 16-year-old drivers fell 68%, 59% for 17-year-olds, 52% for 18-year-olds and 47% 19-year-olds, according to the Insurance Institute for Highway Safety. The institute attributes the declines to the adoption of GDL laws.

A slew of other studies have noted similar declines in accidents and injuries among teen drivers and their vehicle occupants.

The risk of 16- or 17-year-old drivers being killed in a crash increases with each additional teenage passenger in the vehicle, according to a 2012 study by the AAA Foundation for Traffic Safety.

The risk increases 44% with one passenger, doubles with two passengers, and quadruples with three or more passengers.

The GDL system requires a more rigorous learning period before granting young people between the ages of 15 and 18 a driver's license with full privileges.

Graduated licensing as defined by the National Highway Traffic Safety Administration consists of three stages.

## Stages in California Law



- **Stage 1 (learner's permit)** – Requirements include a vision test, a road knowledge test, 50 hours of driving accompanied by a licensed adult (10 hours at night), seatbelt use by all vehicle occupants, a zero blood alcohol content level, and six months with no crashes or convictions for traffic violations. This learner permit stage is available to 16-year-olds and is in effect for six months.
- **Stage 2 (intermediate license)** – This includes the completion of Stage 1, a behind-the-wheel road test, advanced driver education training, no driving from 11 p.m. to 5 a.m., no passengers for the first 12 months and 12 consecutive months with no crashes or convictions for traffic offenses.
- **Stage 3 (full license).**



## The takeaway

Due to their inherent riskiness, teen drivers are more expensive to insure, and can increase your premiums by 50-100%.

Some insurance companies offer discounts for students with good grades. The Good Student Discount is generally available to students who have a grade point average of a B or higher.

Also, some insurers offer programs aimed at fostering safe driving habits, such as online safety courses for young drivers and parents, contracts between young drivers and parents, educational videos and practice driving logs.

Some insurers also offer discounts for parents who install electronic devices in their cars that monitor the way their teens drive. Some carriers will also subsidize the cost of the device.

One insurer has supplied at least 2,000 families with a DriveCam video camera that alerts parents when a teen driver makes a driving error.

The program includes discounts for families that use the camera, which is free for the first year. ❖