



INTERWEST
INSURANCE SERVICES, LLC

JANUARY 2023 | VOLUME 4 | ISSUE 1



NEWSBLAST

Annual Review

Eight Insurance Cost-Saving Tips for the New Year

AS THE new year gets underway, now is a good time to review your home safety and insurance plans for the year. Here are eight ways that you can reduce your risk as well as your insurance premium.

Get a home security system

If you don't have a home security system, you should seriously consider getting one to protect your hard-earned assets and home investment.

The good news is that if you get one that is monitored by a central station, or that is tied directly to a local police station, you may also receive a discount on your homeowner's insurance premium.

Install additional smoke alarms

As with a home security system, you can also reduce your insurance premium by installing smoke alarms, not to mention saving your life in case of a fire. Installing them in older homes can shave 10% or more from your premiums.

Some insurance companies will also give further discounts if you install additional smoke detectors.

Raise your deductible

You can reduce your insurance premium by raising your deductible if you are confident you can absorb the cost of paying that out-of-pocket expense if you incur a claim.

Multiple-policy discounts

Many insurance companies will extend a discount of 10% or more to policyholders that have multiple policies with them (such as auto and homeowner's). Ask us for a quote for other types of insurance from the company that writes your homeowner's policy.

Plan wisely for expansion

If you plan to construct an addition to the home or build a structure adjacent to it, like a gazebo, you'll pay a slightly higher premium, depending on how it is built. Wood-framed structures cost more to insure because they are flammable.

If you go with cement or steel-framing, you'll pay less since they are less susceptible to damage from fire and bad weather.

Costly fun

Pools and trampolines can have a significant impact on your insurance costs and add 10% or more to your premium.

Consider coverage type

If you purchase "guaranteed replacement value" homeowner's insurance, your policy will cover the entire cost of rebuilding your home after a covered calamity. Coverage limits on such a policy increase as the cost of construction and materials rises.

Make or update a home inventory

A home inventory with receipts for all your major belongings allows your home and belongings to be replaced after a loss.

While this won't reduce your premium, it will help you get any damage claims you file paid faster. ❖

InterWest Insurance Services

WISHES YOU A HAPPY NEW YEAR!



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

Who Is Liable When a Tree Falls onto a Neighbor's Property?

TREES PROVIDE shade and complement landscaping, but they can also cause major disputes with neighbors when they fall over.

A tree may topple over if it is not properly maintained, it's diseased or a storm knocks it down. When a tree falls over onto a neighbor's property, a homeowner is often left to wonder if they are liable. Most people assume that they are since it is their tree. However, this is not always true.

When your neighbor's insurance pays

If your neighbor's home or car is damaged by a healthy tree in your yard, then they should file a claim with their insurance company.

If you want to be a good neighbor, you could offer to pay your neighbor's deductible.

When it's your liability

There are instances where you as a homeowner could be held liable. If a tree fell on your neighbor's home when you were trying to cut it down without professional help, the damage would be your responsibility.

Also, if the tree was dying, unstable or diseased, you could be liable if it falls over and damages your neighbor's home.

Even if your neighbor files a claim with their insurer, the carrier may come after your insurer if it deems you were negligent in caring for your tree. This process is called subrogation.

If your neighbor's insurer is successful in the subrogation process, they may be reimbursed for the deductible paid for the claim.

Some policies will acknowledge coverage for claims only if no

negligence was involved; others will cover claims regardless of whether the policyholder has been negligent. Some policies cover only certain kinds of damage (damage to physical structures, for example, but not to the land around them).

Read your policy carefully, then check with us.

Most falls are due to storms

Most cases involve trees falling over due to storms or acts of nature, so many homeowners whose trees topple over do not have to worry about their insurers footing the bill.

Also, they don't have to worry about premium increases if they are not found liable for the damages. In some cases, neighbors may still try to sue to recover their deductibles.

The best way to avoid this scenario is to prevent it in the first place.

You should check your trees regularly and have them inspected at the first sign of disease or any health issues. You should also trim back branches that grow over the fence line.

A professional arborist can assess the tree to see if it needs any special treatments, pruning or complete removal.

This may seem like an unnecessary expense, but it is much less expensive than the potential cost of paying for a neighbor's home being damaged and the legal costs that ensue.

For those who plan to stay in their homes for any length of time, it is best to try to keep the peace with neighbors, so this is also a good way to prevent quarrels or ongoing problems.

If you have concerns about the potential for tree damage to your home or that of a neighbor, and whether your policy would cover the damage, give us a call. ♦



155072992

Auto Insurance

Understanding Your Policy's Rental Car Coverage

WHEN YOUR car gets damaged in an accident or stolen, the repair or recovery cost is only part of the story.

Without another vehicle available, your only recourse may be to rent one. The good news is that your policy may already include coverage to defray the cost of a rental.

The standard personal auto policy includes a coverage called "transportation expenses." If you have purchased collision coverage on your car and that car is damaged in a collision, this coverage will pay for "temporary transportation expenses."

The same applies if you have purchased comprehensive coverage. If the car is damaged by something other than a collision, the policy will cover these expenses. Typically, policies pay about \$20 per day, up to a maximum of \$600. This coverage applies to a vehicle to which you do not ordinarily have access, such as a friend's car or a rental.

Time limitations apply. If your owned or borrowed car is stolen, coverage begins 48 hours after the theft and ends when you are able to use the vehicle again, or when the insurance company pays you for the loss.

If the cause of loss is something other than theft, the insurance pays the expenses incurred more than 24 hours after you lose use of the vehicle.

Finally, the insurance stops paying at the end of the period of time reasonably required to repair or replace the vehicle. ❖

HOW IT WORKS

- John has both comprehensive and collision coverages on his sedan. A frayed wire in the engine catches fire, resulting in major damage to the car. The car is in the shop for 15 days, so he rents a replacement for \$35 per day. His insurance will pay \$20 per day, starting with the expenses he incurs starting 48 hours later.
- Sue walks out of a store to find an empty space where her car should have been. She reports the theft to the police and her insurance company. The insurer will pay \$20 per day, starting 48 hours after she discovered the car missing.
- Dexter has no collision coverage on his car. A month later, a bee stings him while he's driving and he plows into a highway sign. The insurer will not cover his rental costs because he had not purchased collision coverage.

NOTE: Not all auto insurance policies are the same. Some may pay more than \$20 per day for rental costs, but they will pay only if the insured vehicle is stolen. Others cover theft only and pay less than \$20. Check with us to find out what coverage you have. If it's not what you would like, ask the agent if you can purchase additional coverage.



Minimizing Risk

Hiring a Contractor? Make Sure They're Insured

WHEN YOU hire contractors, electricians or other home repair specialists, you may shop around on price and go with the least expensive one.

But if a contractor comes in with a bid that is much lower than the competition, it could mean they are cutting corners – and one of the top ways for them to do this is in the insurance they carry, or are supposed to carry.

Consider these scenarios:

- An electrician's faulty work starts a fire that guts your kitchen and dining room.
- A contractor's worker breaks a leg while working on your home.

If either of these events occurs and the contractor doesn't have insurance, you'll be on the hook for the damages.

Even if a contractor tells you they are insured and bonded, you need to verify that it's true. After all, they could be stretching the truth by just having their vehicle insured, and they could be bonded for another project they have worked on in the past.

While your homeowner's policy provides some liability coverage, it may not cover all the expenses in an especially costly event.

The first thing you should do when hiring a contractor is to ask to see their certificate of insurance. If they don't have it, they can call their insurance agent and ask them to send it to you. A certificate doesn't provide all the insurance details, but it's a good start.

However, if you are having major work done on your home, you need to delve further. You should look for the following:

Coverages on certificate of liability insurance

Current dates – Check to see that the coverage is current. If it's past the policy expiration date, then it doesn't tell you if they currently have insurance.

General liability coverage – The contractor should have this insurance, which covers bodily injury to you or third parties and property damage arising out of their operations.

Check also to see if their coverage includes “products and completed operations,” which covers damage that may arise out of their finished work. If this is not included, then the contractor's liability ends when they finish the job.

Workers' compensation – This coverage is mandatory for all employers, except under very rare circumstances. It covers medical expenses and lost wages if an employee is injured on the job. If the contractor doesn't have this coverage, you could be on the hook for these costs.

Sometimes small contractors will tell you that they don't need to have it, but that is typically true only if they have no employees and it's a sole proprietorship.

Other coverages to look for

Builder's risk – If you are building a new home or adding on to your home, this provides protection for the new construction and building materials while it is being built.

While most contractors will buy this coverage, some of them will ask the homeowner to do so. Make sure you are clear who should buy this coverage and, if it is the contractor, be sure to ask for proof that it's been purchased.

Fidelity bonds – The most common type of bond you could encounter provides protection if a contractor's workers steal from you.

But while better than nothing, actually getting paid from these bonds can be somewhat difficult.

It's probably a better bet to lock up or remove your valuables when contractors are working in your home. Although you have hopefully picked a contractor you trust, he or she is probably not going to be the only one that enters the job site. ❖