

## NEWSLETTER

VOLUME 3 ISSUE 1

**As the New Year Begins, Remember That Changes in Your Life May Require Changes in Your Insurance***10 Questions to Determine Whether You Need to Update Your Coverage*

Source: Insurance Information Institute

way to start the New Year off on a firm financial footing is to discuss your current insurance needs with your agent, broker or company representative to make sure that it is up-to-date."

two insurance companies, so take the opportunity to review your existing coverage and see which company offers the best combination of price and service.

If you are merging two households, you may need to update your homeowners insurance. And you may want to consider increasing your insurance for any new valuables received as wedding gifts, and for jewelry such as wedding and engagement rings.



Major purchases and lifestyle changes such as marriage, divorce or retirement can have a profound effect on your insurance needs, according to the Insurance Information Institute (I.I.I.).

"To make the most of your insurance dollars, it is very important that you let your insurance agent or company representative know about alterations to your home and other major events in your life," said Jeanne M. Salvatore, senior vice president and consumer spokesperson for the I.I.I. "A great

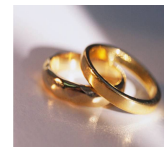
At least 32 million U.S. households own insurance policies that aren't right for them, according to a survey by the [Independent Insurance Agents and Brokers of America, Inc.](#)

To ensure that yours is not one of those households, the I.I.I. recommends asking the following 10 questions:

**1. Have you recently married or divorced?**

If you have recently married, you may qualify for a discount on your auto insurance. Couples may well bring two cars into the relationship and

After getting married, it is also important to review your life insurance needs. Becoming a couple means sharing responsibility with and for someone else; life insurance is an excellent way to ensure that the surviving spouse is taken care of in the event of the premature death of the other spouse.



**(See Changes in Your Life on page 3)**

**Winterproofing Your Home Can Prevent Disaster - And Save You Money**

Source: Insurance Information Institute

Everyone is looking for ways to save money, so taking a few simple steps to winterproof your home against snow, wind and freezing temperatures is a smart investment of time and a little money. Winter storms can wreak havoc on homes and account for a large number of insurance claims each year, according to the Insurance Information Institute (I.I.I.)

Winter storms accounted for about 8 percent of catastrophe losses nationwide from 1989-



2008, with total losses averaging more than \$1 billion a year over that period. In 2007, water damage and freezing accounted for approximately 22 percent of all homeowners insurance claims in the country. ISO reports that the average claim for water damage and freezing nationwide was

\$5,531 from 2003 to 2007.

"The first step to protect yourself against Old Man Winter is to make sure your home and possessions are properly insured," said Jeanne M. Salvatore, senior vice president and consumer spokesperson for the I.I.I. "Standard homeowners policies cover winter-related disasters such as burst pipes, ice dams and wind damage caused by weight of ice or snow, as well as fire-related losses," she added.

**(See Winterproofing Your Home on page 2)**

**WINTER CAR CARE**  
A TWELVE POINT CHECKLIST

Source Road & Travel Magazine

Harsh winter weather is just around the corner, and that means it's time to prep your car for snow, sleet and all other cold and nasty conditions. While it's a no-brainer that regular maintenance prevents seasonal break-downs, a whopping 70 percent of motorists admit to not winterizing their cars, according to the Car Care Council.

To help drivers combat the tough road conditions associated with the winter season, the Healy Group would like to offer information on vehicle preparation to ensure that motorists and their vehicles are properly equipped. Utilizing these tips will help motorists avoid potential roadside issues and eliminate some unnecessary stress while traveling during winter.

1. Get a basic tune-up
2. Check coolant
3. Use a winter-formulated washer fluid
4. Check wiper blades
5. Check battery
6. Replace worn brake pads
7. Remove snow and ice from the entire car
8. Check tire tread
9. Change oil regularly
10. Carry sand bags or tire chains
11. Keep an emergency kit in the car
12. Pay Attention and Go Slow



## Winterproofing Your Home (continued from page 1)



While burst pipes are covered under a standard homeowners policy, coverage for flooding, such as that caused by ground water coming into a home as a result of melting snow or rain, is not.

Flood insurance coverage is available from the [National Flood Insurance Program](#) and from a few private insurance companies; it can be purchased through the Healy Group. Winter-related damage to cars is often covered under the optional comprehensive portion of an auto insurance policy.

To prepare your house for winter, the Healy Group would like to offer these tips:

### Outside Your Home

✦ **Clean out gutters.** Remove leaves, sticks and other debris from gutters, so melting snow and ice can flow freely. This can prevent ice damming, a condition where water is unable to drain through the gutters and instead seeps into the house causing water to drip from the ceiling and walls.

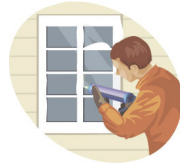
✦ **Install gutter guards.** Available in most hardware and home stores, gutter guards prevent debris from entering the gutter and interfering with the flow of water away from the house and into the ground.

✦ **Trim trees and remove dead branches.** Ice, snow and wind can cause weak trees or branches to break, causing damage to your home or car, as well as in-

jury to people on your property.

✦ **Repair steps and handrails.** This may prevent someone from falling and being seriously injured. Broken stairs and banisters can become lethal when covered with snow and ice.

✦ **Seal cracks in holes in outside walls and foundations.** Use caulking to protect water pipes and make sure that skylights and other roof openings have proper weather stripping to prevent snowmelt from seeping in.



### Inside Your Home

✦ **Properly install and maintain alternative heating sources.** Pellet stoves, wood stoves, fireplaces and space heaters require special care and attention. Be sure that carbon monoxide detectors are installed in several parts of the house. Any heat source should be kept away from combustible items such as books, newspapers and furniture; vents and chimneys should be kept clean; and power cords should be checked for frays, cracks, broken wires and for possible overheating.

✦ **Keep the house warm.** Set the thermostat for at least 65 degrees, since the temperature inside the walls, where the pipes are located, is substantially colder, so a temperature lower than 65 degrees will not keep the pipes from freezing.



✦ **Add extra insulation to attics, basements and crawl spaces.**



If too much heat escapes through the attic, it can cause snow or ice to melt on the roof. Water can then refreeze, causing more snow and ice to build up. This can result in a collapsed roof, and can contribute to ice damming. Ideally, the attic should be five to ten degrees warmer than the outside air. Well-insulated basements and crawl spaces will also help protect pipes from freezing. You may also consider insulating unfinished rooms such as garages to keep pipes from freezing.

✦ **Have the heating system serviced.** Furnaces, boilers and chimneys should be serviced at least once a year to prevent fire and smoke damage.

✦ **Check pipes.** Look closely for cracks and leaks and have the pipes repaired immediately. Wrap exposed pipes with heating tape.

✦ **Install an emergency pressure release valve in your plumbing system.** This will protect against the increased pressure caused by freezing pipes and can help prevent your pipes from bursting.

✦ **Make sure that smoke and fire alarms are working properly.** Residential fires increase in the winter, so it is important to protect your family with




working alarm systems. Also, consider installing a carbon dioxide detector, since a well sealed home can trap this toxic gas.

✦ **Learn how to shut the water off and know where your pipes are located.** If your pipes freeze, time is of the essence. The quicker you can shut off the water or direct your plumber to the problem, the better chance you have to prevent pipes from bursting.



✦ **Hire a licensed contractor to look for structural damage.** If damage is discovered, you can have it repaired immediately rather than waiting for a more severe problem to occur. Also, ask about ways to prevent water damage resulting from snow-related flooding. Plastic coatings for internal basement walls, sump pumps and other methods can prevent flood damage to your home and belongings.

If you are going to be away for an extended period, take special care. Turn the water off and/or have the water system drained by a professional to keep pipes from freezing or bursting. Also, hire someone to check your home on a regular basis. This way, if there is a problem, it can be fixed quickly, lessening any damage. Activity at your home will also reduce the likelihood that it will be burglarized.

For additional tips on winterproofing your home, as well as information on how to prepare your home if it is going to be vacant, contact your Healy Group customer service representative. 

## Changes In Your Life (continued from page 1)



If you are recently divorced, you will probably no longer be sharing a car and may move to a smaller home. You should inform your insurance advisor as this will mean setting up separate auto and homeowners policies.

### 2. Have you had a baby?

If you have recently added a child to your family, whether by birth or adoption, it is important to review your life insurance protection. According to a MetLife study of survivors (i.e., spouses and children) of someone who died "prematurely," 39 percent had no life insurance at all. Of these families, 40 percent had children under age 18. Therefore, in about 16 percent of all cases survivors of premature deceased persons were families with young children of who had no life insurance.

If you are planning on your life insurance to match your survivors' expenses after your death, the new child will likely add to those expenses, requiring more life insurance to keep your family secure. If you plan to save for your child's college education, life insurance can assure completion of that plan. And if you keep your current life insurance policy, don't forget to update the beneficiary designations to include the new child.

### 3. Has your teenager started to drive the car?

It is generally cheaper to add your teenagers to your insurance policy than for them to purchase their own. If they are going to be driving their own car, consider insuring it with your company so that you can get a multi-policy discount. And choose the car carefully—the type of car a young person drives can dramatically affect the price of insurance. You and your teenagers should choose a car that is easy to drive and would offer protection in the event of a crash.



Also, encourage your kids to get good grades and to take a driver training course. Most companies will give discounts for getting at least a "B" average in school and for taking recognized driving courses. If your teenagers move at least 100 miles from home to go to college, you can get a discount for the time they are not around to drive the car. This, of course, assumes that they leave the car at home!

### 4. Have you switched jobs or experienced a significant change in your salary?

If you had life insurance through your former employer, and your new employer does not provide equivalent protection, you can replace the "lost" coverage with an individual life insurance policy.

In the case of a salary increase, you may have taken on additional financial commitments that your survivors will depend on. Make sure to review your life insurance program to ensure it is adequate to maintain those commitments.

If your salary decreased, you may want to cut your life insurance premiums. Fortunately, life insurance premiums in general have been dropping



in price, so if you shop around you may pay less for the protection. If you have two or more policies you can combine the death benefit amounts into one policy to qualify for a lower rate because you may reach a "milestone" amount of insurance. (For example, at many companies, \$500,000 of insurance costs less than \$450,000 because of the "milestone" discount.) But don't drop existing life insurance until after you have a new policy in place.

### 5. Have you done extensive renovations on your home?

If you have made major improvements to your home, such as adding a new room, enclosing a porch or expanding a kitchen or bathroom, you risk being underinsured if you don't report the changes to your insurance company.



Don't forget about new structures outside of your home. If you have built a gazebo, a new shed for your tools or installed a pool or hot tub, you should speak to your agent.

If, as part of a renovation, you purchase furniture, exercise equipment or electronics, you may need to increase the amount of insurance you have on your personal possessions. Keep receipts and add any new items to your home inventory.

### 6. Have you decided to buy a retirement or vacation home?

If you are searching for a vacation home or a second home for retirement, make sure you research the availability and cost of homeowners insurance before you commit to the purchase. Often, the very factors that make a vacation home seem ideal—whether it is a waterfront property or a mountain retreat—can introduce risks that, together with the fact the home is likely to be vacant

much of the time, can make it costly and difficult to insure.

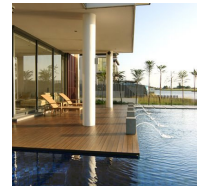
In the event you have already bought a vacation home, don't skimp on the insurance. The risk of theft or disaster is just as significant, if not more so, in a second home as in your primary residence.

If your new property is close to the water, be sure to ask about flood insurance.

Damage to your home or belongings resulting from flood is not covered under standard homeowners insurance policies. Flood insurance is available from the National Flood Insurance Program (NFIP), and is sold through the Healy Group. You can ask your agent or representative whether your home is at risk for flood. The [NFIP Web site](#) also has a [handy tool](#) for assessing your flood risk. You enter your address, and it will tell you your level of risk. If you have a very valuable home, some homeowners insurers do offer flood coverage in excess of the NFIP policy.

### 7. Have you acquired any new valuables—jewelry, electronic equipment, fine art, antiques?

A standard homeowners policy offers only limited coverage for highly valuable items. If you have made purchases or received gifts that exceed these limits, you should consider supplementing your policy with a "floater," a separate policy that provides additional insurance



(See **Changes In Your Life** continued on page 4)

**Changes In Your Life**  
(continued from page 3)

for your valuables and covers them for perils not included in your policy such as accidental loss.



Before purchasing a floater, the items covered must be professionally appraised. Keep receipts and add the new items to your home inventory.

To create your personal home inventory, see the free download, [Know Your Stuff - Home Inventory Software](#)

**8. Have you signed a lease on a house or apartment?**

If you are renting a home, your landlord is responsible for insuring the structure of the building, but not for insuring your possessions-that's up to you. Nevertheless, nearly seven in 10 renters say they do not

have renters insurance, despite the fact that, according to the [U. S. Bureau of Justice Statistics](#), rented households are burglarized at rates about 50 percent higher than owned households. If you want to be covered against losses from theft and catastrophes such as fire, lightning and windstorm damage, you should invest in renters insurance. Like homeowners insurance, renters insurance includes liability, which covers your responsibility to other people injured at your home, or elsewhere by you, and pays legal defense costs if you are taken to court.



Regardless of whether you are an owner or renter, you will have the following options

when it comes to insuring your possessions:

★ **Actual cash value** pays to replace your home or possessions minus a deduction for depreciation.

**Replacement cost** pays the cost of rebuilding or repairing your home or replacing your possessions without a deduction for depreciation.

Think carefully about what your financial position would be in the aftermath of a disaster, and make sure you have the type of policy that is right for you. According to the National Association of Insurance Commissioners (NAIC) 12 percent of people surveyed did not know the difference between actual cash value and replacement cost; it is a distinction that could represent thousands of dollars to your insurance payout in the

event of a disaster.

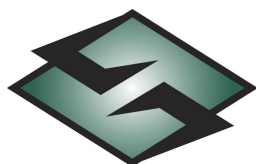
**9. Have you joined a carpool?**

If you are a frequent carpool driver, whether it is to work, or ferrying kids to school and other activities, your liability insurance should reflect the increased risk of additional passengers in the automobile. Check with your insurance advisor to make sure your coverage is adequate.



**10. Have you retired?**

If you commuted regularly to your job, then in retirement your mileage has likely plummeted. If so, you should report it to your insurance advisor as it could significantly lower the cost of your premiums. Furthermore, drivers over the age of 50-55 may get a discount, depending on the insurance company.



# Healy Group

**INSURANCE, RISK & MONEY MANAGEMENT SINCE 1976**

As part of your annual review, it is always a good idea to talk with your insurance agent or advisor at the Healy Group.

Do you know a friend or family member who struggles with their insurance coverages? The Healy Group would love to help! Please don't keep our services a secret!



The Healy Group supported a Habitat for Humanity build with an initial \$3,000 commitment. When all was said and done, our people actually raised over \$11,000. Of this total, \$5000 came from a client who saw our poster in the lobby and decided to make an anonymous gift.

**WELCOME!**

Welcome to the Healy Group's quarterly newsletter! Through this publication, we hope to provide you with quality information that is both beneficial and lighthearted. In order to best serve you, we appreciate any feedback that you may have to offer on this publication.

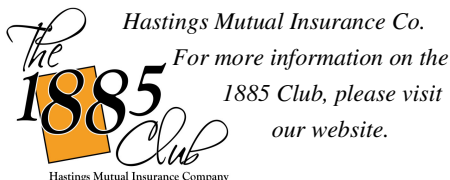
Please contact us at (574) 271-6000 or stop in to say "Hello!"

Thank you for choosing the Healy Group as your Risk Management Advisor.

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The Healy Group is a full-service, independent firm, providing unique financial, insurance and risk management processes to both individuals and businesses. We proudly handle the employee benefits and commercial insurance coverages for hundreds of companies in the area and provide thousands of households with car, home, and personal umbrella policies as well as helping them achieve financial success. We also assist hundreds with individual health insurance needs.

Our livelihood depends on our ability to provide the highest levels of personal service. We are passionate about client service and building long-lasting relationships. In the end, our goal is to partner with people and organizations that share these same core values.

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