

The Hess Agency

Insurance and Investment Brokers
for Personal and Business Needs.

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Staying in touch Keeping you informed on *Personal Insurance* issues



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Insurance: Protecting Your Future without a Crystal Ball

If every one of us could have our own personal fortuneteller to accurately advise us about future events that could create financial loss in our lives, we would *all* be prepared. However, in the real world, no family has a crystal ball. Families can face tremendous loss when unforeseen events occur and the proper protection is not in place.



For instance, what would happen if you were to have a car accident, hit a pedestrian, and subsequently find yourself in a substantial lawsuit? What if a fire causes structural damage to your house? What if a hurricane destroys your vacation home? What if your dog bites your neighbor's child?

All of these unforeseen events have the potential to cause you great distress if you have inadequate insurance protection. Your family, home, automobile, and possessions are all important to you. Therefore, it is important to have the *right* insurance coverage to help protect all that you hold dear. Certainly, you may not have a fortuneteller to tell you what will happen in the future, but you *can* be prepared for the worst if it does happen.

Keeping Pace with Change

As we move through each stage of life, we need to make sure our insurance coverage keeps up with the changes in our lives. Some people may focus too much on one type of coverage and not enough on other types of coverage that could better protect their families. As your life and financial situations change, your insurance coverage should keep pace. A regular consultation with one of our qualified insurance professionals can be of great benefit. We can review all your policies, coverage by coverage, and help you determine how best to put your insurance dollars to work for you and your family.

Insurance for Home-Based Businesses

Business owners with home-based companies face unique insurance considerations. Your **homeowners** or **renters policy** is *not* designed to protect your home-based business. In general, these policies provide limited coverage (typically around \$2,500) for business equipment, which may be inadequate for most high-end personal computers and printers. In addition, liability coverage is unlikely if someone is injured on your property during business hours.

There are three basic ways you can obtain coverage for your home-based business: 1) purchase endorsements, or added coverage, to your existing homeowners or renters policy; 2) obtain an **in-home business policy** that specializes in business conducted from home; or 3) buy a **business owners policy (BOP)**. A BOP bundles prearranged property and liability coverages in one package, including coverage for a building and its contents, business interruption, and liability claims.

If you own a home-based business, give us a call to discuss your insurance needs and coverage options.

Insurance Claim Tips

Consider what might happen if your home or auto was damaged in a weather-related incident or, worse yet, an accident. You know you should file an insurance claim, but the time and effort you believe it may take is causing you to delay this crucial process. If you are wondering what steps you can take to make this process a little easier, you may find the following suggestions helpful.

Contact Us *Promptly*

Contacting us should be your first step in facilitating a speedy claim settlement, and the sooner you call, the better. Always keep your insurance information handy when calling. One common place to keep auto insurance information is in the glove compartment of your vehicle; however, it may also be helpful to keep an extra copy elsewhere, away from the car, in case of fire or theft. For your **homeowners policy**, you may want to consider a fireproof box or bank safety deposit box. With your insurance information readily available, you may be able to reach us within minutes of an incident. Contacting us as soon as possible will also help you report what happened while the details are freshest in your mind.

Make an Effort to Mitigate Damages

Many people may be unaware that they have a duty to mitigate, or lessen the severity of, their damages—doing so may help in the settlement of a claim. For example, if the siding of a home has come off and water that is seeping in has caused damage to property, the policyowner should attempt to cover the seepage to help ensure that *further* property damage does not occur. In the case of an

automobile, if a vehicle's broken windshield is not covered up during a rainstorm, the vehicle owner may be unable to claim water damage to the vehicle's interior. If you don't attempt to mitigate damage, it may cost you more in the long run. Remember, save your receipts for whatever materials you have purchased to assist you in this process; you may be able to receive reimbursement for these costs.

Keep Documentation

Regardless of whether you are filing a claim for a broken lamp or a totaled vehicle, documentation is what can help solidify your case. Take photos or video of any damage at the time of the claim, and in the case of an accident or theft, be sure to file a police report. Although most people may not keep receipts for every item purchased, receipts can help prove the price you paid for an item that has been destroyed. However, this does not mean that a claimant will automatically be reimbursed for the **replacement cost**. Many items, including vehicles, depreciate, which lessens the value of an item based on its age and condition.

Stay Calm

Despite all the advice given for handling an insurance claim, it can still be a frustrating experience. Try to remember that, when settling a claim, a certain degree of inconvenience is probable.

By following these tips, your claim may be settled faster and more efficiently. If you're unsure how to handle a particular situation, we stand ready to assist you in filing your claim.

Tax Credits for Hybrid Vehicles

Valuable tax credits for hybrids ushered in by the Energy Policy Act of 2005 are still available for some vehicle models. The legislation contains a phaseout schedule that begins once a manufacturer has sold 60,000 qualified vehicles. Toyota Motor Corporation hit the phaseout threshold in May 2006. Since that time, credits for Toyota and Lexus models have phased out completely. Honda has also surpassed the ceiling. As of January 2008, the allowable credits for Honda hybrids are worth half as much as before. For example, the credit for the Honda Civic CVT has dipped from

\$2,100 to \$1,050. In July 2008, the credit will be reduced by half again, and then it will disappear entirely in January 2009. This phaseout schedule applies to all Honda models.

Hybrids by other manufacturers, such as Chevrolet, Ford, GMC, Mazda, Mercury, Nissan, and Saturn, are still eligible for full credits, based on vehicle weight class, fuel efficiency, and lifetime fuel savings. For more specific information on these tax credits, visit the IRS website at www.irs.gov.

Did You Know?

It's Easy Being Green

A recent survey by Insight Research Group reveals that 86% of respondents participate in at least one "green" activity, such as conserving energy, recycling, buying recycled products, picking up litter, or driving a fuel-efficient car; of this group, 78% said they are willing to make a further lifestyle change for the good of the environment. In addition, 81% think green issues are "here to stay," rather than just a "passing fad."

Men Feel More Prepared

Men and women have different levels of confidence when it comes to preparing for a disaster, according to a 2007 survey by online disaster preparedness service AxxessPoints. Results revealed that 36% of males feel well-prepared for a disaster, compared with just 22% of women. In addition, 37% of men indicated their families have an emergency communications plan that includes instructions on where to meet and what to do, compared with just 19% of women.

Charitable Giving Trends

The average donor household in the United States gives around \$2,000 a year, with small donations common, according to a report prepared by the Center on Philanthropy for Indiana University. Results revealed that 65% of households surveyed had donated to charity over the past year, and around one in ten of this group donated online. Some two-thirds of charitable donations amounted to \$100 or less, and the median charitable donation was \$50.