

# INSURANCE BY KATIE

K - Knowledgeable A - Attentive T - Trustworthy I - Independent E - Experienced

The Writer Agency  
(308) 436-4202

Spring 2012

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"Most people are other people. Their thoughts are someone else's opinions, their lives a mimicry, their passions a quotation.."

**Oscar Wilde**

writer & poet

Oct 16, 1954 - Nov 30, 1900



## Who Wants to be YOU?

**Nine million.** That's how many Americans have their identities stolen each year. (estimate from the Federal Trade Commission)

Identity theft criminals commonly use six methods to steal unwary consumer & business information:

- 1) **"Dumpster diving"** for papers with personal information
- 2) **"Skimming"** - stealing credit or debit card numbers when a card is processed
- 3) **"Phishing"** - pretending to be a financial institution or company and sending "spam" e-mail messages to get people to reveal personal information

### 4) Address fraud -

Changing an address by completing a change of address form to divert bills to a criminal's location

### 5) Paperwork theft -

Stealing wallets, mail, checks, employer personnel records and other paperwork by breaking-and-entering physically or electronically or by bribing people who have access to information

6) **"Pretexting"** - using false pretenses or tricks of social engineering to obtain personal information from consumers, financial institutions, phone companies & other sources.



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## "Recalculating....."

Some may view them as science fiction gone wild. Others see them as indispensable, possibly life-saving tools. Regardless of your feelings about Global Positioning Systems (GPS), they continue to occupy the dashboards of millions of U.S. vehicles. Are they covered by auto insurance?



### Personal Auto Insurance

Whether its finding alternative routes to beat traffic or a restaurant for the family, drivers rely on their GPS to get them places without the stress of winding up who knows where with an empty tank, no cellular service and shrieking children.

If you depend on your GPS to maintain safety and sanity in your personal vehicle, you should call me, your Trusted Choice® independent insurance agent and request that your auto insurance policy be endorsed to cover the system; failure to make this request will likely result in no coverage for the system after a loss. This is because most personal auto policies strictly limit or totally exclude coverage for GPS and other electronic devices in your car that are not used to operate the vehicle. Some policies will offer limited coverage for GPS devices that are built into the vehicle by the manufacturer or even some portable systems; however this is not the case for all policies and those that do include coverage are limited.

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**Insurance for Fido!** If you are like me, then your pets are just hairy little humans and you take them everywhere, including in your vehicle. Our agency is able to provide Pet Injury Protection Coverage for your hairy loved ones which will pay up to a certain limit on your pet's vet bill in the event they're injured during a car crash while in your car. Call me today!



## Do You Qualify for Discounts?

- \* Multi-Policy
- \* Multi-vehicle
- \* Non-smoker
- \* Good Credit
- \* Empty-Nest
- \* Over 50 years old
- \* the list goes on.....

Call me for a discount check-up today!

## Water Loss Protection Tips

Prevent water damage with simple maintenance:

- 1) Monthly, check for signs of leaks around plumbing & appliances
- 2) Check for leaking faucets, dripping or "sweating" pipes and clogged drains
- 3) Check inside all cabinets where plumbing is housed for wet areas
- 4) Inspect washing machine hoses for bulges, cracks or wetness. Replace every few years or at first sign of wear.
- 5) Inspect water heater for signs of rust or water on the floor
- 6) Look for signs of leaking underneath and around dishwasher
- 7) Check refrigerator ice or water dispenser for leaks & make sure hose is made of braided copper

## Who Wants to be YOU .... continued

Identity theft robs a victim of time that must be urgently spent to alert police, credit bureaus, financial institutions, medical providers and others. A victim has to prove an identity loss or financial loss; close accounts; write letters to government entities; and even work with a legal advocate to recover and rebuild a stolen identity.

Likewise, the costs for legal fees can quickly add up and overwhelm a stressed victim. The loss of work time also can be costly, at the very time when financial resources are under attack by a criminal.

Often for as little as \$15 per year, an identity recovery package may include reimbursement of legal fees, as well as costs of credit reports and postage, phone, shipping fees, lost wages and time away from family to resolve the

situation. The ID package also might include a limited benefit for mental health counseling for crime victims and ongoing fraud monitoring.

### steps to reduce your risk

- ✓ Do not carry your Social Security card or number in your wallet
- ✓ Use Online Bill Pay and E-Bills to remove confidential information from postal mail and improve payment tracking
- ✓ Use a secure locking mailbox or post office box
- ✓ Shred anything that contains your name, address, or other sensitive data before discarding, always using a crosscut shredder
- ✓ Never write your social security number on your checks



## Lights Out: Frozen Pipes & Spoiled Food

You're hosting a big party. The invitations are out, responses are in and it's going to be a big one. Your shopping is done and the refrigerator and freezer are stocked with the finest party fare money can buy. Then the ice storm comes. And with it, freezing temperatures. In fact, this particular cold snap is so extreme that it knocks out power to every home in a six-mile radius. The outage takes hours to restore, and when the lights come back on, you open the refrigerator to find the remains of what used to be fresh food for the party.

Will your home insurance policy cover the cost to replace the spoiled items?

### Spoiled Rotten

Finding coverage under a home insurance policy for spoiled items depends on why the power supply was interrupted. For example, if the outage can be sourced to your premises and caused by a covered loss, such as a tree branch falling onto your power meter *in your yard*, many home insurance policies will cover the cost of the spoiled items.

However, if the outage is generated off of your premises, such as at a utility company's transfer station or a downed power line, your home insurance policy may not cover resulting damage. Some communities may have programs available for reimbursement of damage caused by the outage. However, such dollars are usually paid by the utility company, if they are paid at all... not by your home insurer.

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## Time of Your Life

People know they should have life insurance but just don't get around to getting it.

**"I can't afford it"** -- Term Life insurance can be quite affordable, especially for young people. The cost to purchase life insurance generally goes up each year as you get older and you will never be as young as you are right now! Now is the best time to lock in your premium.

**"My stay-at-home spouse doesn't need life insurance"** -- Even if a spouse doesn't earn an income, his or her contributions (childcare, household management, etc) may be costly to replace & life insurance can help with those costs.

**"I can't predict my future needs"** -- Term insurance offers policies from 10 to 30 years and many can be converted into "lifetime" policies if you so choose in the future. The important thing is to obtain protection now so you have the option of making these future decisions.

## Lights Out....continued

Some home insurance carriers will cover spoiled items if the outage is caused by a surge in power. This may happen when the utility company flips the switch to restore power to your area. Even in cases where spoilage is covered, don't get too excited. Keep in mind that your insurance company will not pay anything until you have kicked in for you deductible. This is typically \$500 or \$1,000 that you must pay out-of-pocket, meaning the spoilage loss would have to be significant to justify a claim.

Note you can also ask your home insurer about specific spoilage coverage, sold via an endorsement to your policy. This coverage typically has a limit of \$500 to \$1,000—but your deductible is zero or \$100 max, which is usually less than your regular homeowner deductible. Bonus: Many of these endorsements cover not only spoilage due to power failure, but also if the refrigerator or freezer simply breaks down.

### Frozen Pipes

But wait: A power outage that occurs during freezing conditions can cause more headaches than some spoiled party food. Lack of heat not only means discomfort for you, your family and guests—it also can leave pipes in your home vulnerable

to freezing. A frozen pipe can easily burst, exposing your home and its contents to resulting water damage. When a pipe bursts, damage can happen very quickly and will continue to worsen until the problem is isolated.

Most home insurance companies will cover damage resulting from a frozen pipe provided you can prove that you took measures to prevent the pipe from freezing. For example, many policies say that coverage applies if you can show that you either 1) shut off the water supply and drained your system, or 2) maintained heat to your home.

If a power outage prevents you from maintaining the heat, many home insurance policies will cover the resulting loss from the frozen pipe.

### Summary

Cold weather conditions pose a number of threats to homeowners. If the threat manifests into damage to your home or its contents, is it covered by your home insurance policy? Sometimes the answer is "yes" and sometimes it's "no." Either way, waiting until the damage happens is the wrong time to learn about coverage. It's still cold outside, why don't you call me today?



## BlogNews

Bang Bang! Saw Hammer! What do you mean I measured once and cut twice and it is **still** too short? If this remodeling scenario sounds all too familiar, read the recent blog article, **"Attack of the Huge Green Monster"** which will regale you with antics from my own ongoing remodeling project and provide advice on how to protect that investment of time & money

Check out my blog: [www.insurance-bykatie.blogspot.com](http://www.insurance-bykatie.blogspot.com) to read more about submitting a claim, Flood Insurance, and other topics.

In the spirit of the GPS coverage article in this newsletter, check out **Geez Jeanie, We're In France!** While you're there, check out these and other really fun articles: **The Sneeches & other Craziiness** and **The Smell of Money & other Unmentionables**

You can also access past issues of this newsletter within the blog or through our website (see address at the bottom of each page).

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Spring 2012

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## What if....

As your trusted insurance resource & "go-to" gal, I pride myself in helping you navigate the confusing world of insurance. To that end, I want to hear from you. What's confusing to you? Do you lay awake at night wondering, "what if..." and hoping you are properly protected? Rest assured you are not the only one thinking these things. So ~ call me, email me, post a comment on my blog...no matter how you do it, **just do it**. Ask me your "what if" and I'll share the answer in my next blog and newsletter.

## About Our Organization

Our agency represents many very competitive insurance companies dedicated to providing superior coverage and superb customer service.

With the support of the staff in Ogallala, Katie Kochenower, a Certified Insurance Counselor and Risk Manager, uses her

25+ years experience to provide you with valuable, high quality, affordable insurance tailored to fit your specific needs.

## The Writer Agency

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**Do you know someone who could benefit from personal insurance service? Refer someone and receive a thank-you gift.**



**Summer will be here sooner than you think!** Call me about your boat, camper, recreational vehicle, jet ski, motorcycle, & other spring and summer toys!





## If It Sounds Too Good To Be True....



Remember the days of curling up to the radio or MTV, enduring endless commercials and lame tunes just to be able to crank it when Mr. DJ played your favorite song? (did I just give away my age??) Well, you need not suffer any longer! File-sharing programs make our instant world faster—obtaining music and video clips with a click. Popular versions like iTunes legitimize the process through pages of service agreements and per-transfer fees, but every program is not so “official.” Unauthorized file sharing is easy, cheap (or free) *and illegal*.

Consider the recent case of copyright infringement -- BMG Music v. Cecilia Gonzalez.. Damages awarded against her totaled \$22,500—for downloading 30 songs at a \$750 penalty per song. Seem steep? It could have been much worse. She had actually downloaded 1,370 songs. Federal law permits an assessment of \$30,000 per song. Had they chosen the full course of action, damages against Gonzalez could have been over \$41 million!

Personal liability afforded under a typical homeowners insurance policy does not cover liability claims that do not involve bodily injury or property damage arising out of an “occurrence.” Since “occurrence” constitutes an accident or exposure to harmful conditions, it is not likely the insurance company will look any further to find a reason to provide you with coverage (after all, downloading that latest Van Halen track for free was no accident!). Even if you did jump that hurdle, you’re still fighting an uphill battle. Property damage constitutes physical injury to tangible property: ripping off mp3 files hardly fits the bill. Even homeowners with personal injury liability (which extends liability insurance to pay claims such as libel, slander, and violation of privacy rights) are exposed: This insurance says nothing of covering claims of copyright violation, nor will it cover criminal acts.

This information should serve as a somber reminder that households downloading illegal files are in danger of incurring a large out-of-pocket expense that no personal insurance intends to pay. Parents should be especially careful; in many households it is not mom or dad downloading the copyrighted music. A look at the music library on many children and teenager’s computers could shock you—they could have hundreds or thousands of songs. If your children are file-sharers, check their preferred sources for legitimacy and remind them why this is important. When it comes to downloading music, “free” can come with a big price. Enjoy the tunes but proceed with caution.

## Luggage Looters & Baggage Bullies



Spring break is almost upon us. This means hauling a lot of extra luggage, such as skis, golf clubs, and holiday gifts. While the chance of your luggage being lost or stolen is less than 1% according to the US Department of Transportation, theft *can* happen. Fortunately if you have a homeowner's or renters insurance policy, you are most likely covered because most policies protect your belongings anywhere in the world. However, if you are taking valuables (jewelry, gifts, sporting equipment, or other items that may be limited by your policy) you may wish to purchase special insurance protection.

Many domestic flights have a baggage reimbursement plan (some up to \$3300 per person). You may need to submit proof, such as receipts, photos, or electronic records, of the current value for the lost items in order to get reimbursed by the airline. **continued on reverse**

## Down to the Business of Business

The key to being a successful business owner is to know how much risk you can afford, and when or where is the right place to take risk. Insurance can handle those unexpected risks that come as “Acts of God” (weather, sickness or other types of claims that are often beyond your control), as well as those risks, such as liability or workers compensation claims. The most sensible approach to your insurance protection is to leverage your premium dollars by focusing coverage in areas most likely to cause your business the most pain. **Consider:**

\* How will you replace the income derived from your business if you die or become unable to work? (consider life & disability insurance)

\* Is your business survival—at least in the short term—dependent upon the work of a key employee? If so, explore life or disability to provide a financial buffer until you can replace that person or reorganize your business **continued on reverse**

## Luggage Looters & Baggage Bullies *continued...*

It's also important to remember that the airline will only pay you the current value of a lost item, not the original price you paid for the item. Many airlines do offer "excess value" protection if your luggage is worth more than the limits, however, you may not need the coverage if your homeowner's or renter's insurance policy covers your bags. Another important consideration is the level of your home/renters deductible which may apply to any lost or damaged items. Lastly, most airlines have a list of items they will not cover if lost or stolen, such as money and jewelry. So, if you're worried about something of high monetary or sentimental value going MIA during a trip, it's probably best to leave it at home or stow it in your carry-on.

If you're unsure of what your homeowner's or renter's insurance policy covers, don't hesitate to contact me as I will be happy to review your policy and answer any of your questions. Safe travels!

## "Recalculating...." *cont.*

### Business Auto Insurance

Any business person who has ever gotten lost finding a jobsite or received lousy directions to a meeting can attest to the value of a GPS system. Many businesses invest thousands into such systems—an investment that could be lost if the system is damaged in a crash or stolen. Similar to personal auto insurance policies, covering a GPS device under a business auto insurance policy likely requires a call to your insurance agent to endorse your policy to include coverage for the GPS system. This endorsement is necessary for most business auto policies—those that do automatically extend coverage to the GPS system do so only in a limited capacity.

### Moral of the Story

Regardless of the level of dependence you invest, losing the ability to use your vehicle's GPS system because it is damaged in an accident or stolen is frustrating and expensive. Calling your agent will help you discover how much coverage your current auto policy will offer towards replacing the system.

## Down to Business *cont.*

\* Do you need special computer coverages for the technology your business is so dependent upon? Issues include: computer viruses; equipment valuations at time of loss (since computers, like new cars, lose a lot of their value within six months of purchase); business income losses due to being down for an extended period of time; electronic forgeries and theft; liability arising from alleged breaches of customer privacy; and many others.

\* What would it really cost to rebuild your building from the ground up following a major loss? Are there special design issues that may raise the building costs? Are there any building ordinances (such as requiring all new buildings of your type to have sprinkler systems) that will significantly increase your rebuilding estimates? If your building was "grandfathered" under your community's current building restrictions, will you even be allowed to rebuild at your current location? (Have you checked your zoning ordinances lately?)

\* If your business is unable to operate due to extensive damages, what amount of income will you lose while making repairs to open the doors again? Or would your choice be to reopen as quickly as possible at another location? The "hurry up" expense of making the move, installing the necessary equipment and notifying your current clients may prove a significant burden.

\* Are the liability limits included with your business' insurance package high enough? How often do you read about some new wave of multi-million dollar lawsuits against businesses?

Don't risk it all by living by that old cliché; insurance is one time when it always pays to "cross that bridge *before* you come to it."

## Updated Website and and Page

As an added benefit to you, we continually update our website & online media. Find out more about us, explore the insurance coverages we provide, access our Learning Center, read past newsletters or our blog, and even obtain insurance quotes. Connect with me on my Facebook page where you can easily follow my blog, communicate or get a quote for insurance. Click on the "Facebook & Blog" link on the navigation bar.