

Personal Insurance

What Financial Planners
Should Know

Presented by

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Commercial Insurance | Surety | Home & Auto Insurance

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Agenda

- Personal Insurance Overview
 - Auto, Home, Collections
- Umbrella– what is it, who needs it, how much?
- Claims Examples
- Industry Updates

Asset Protection

- Auto, Home, Umbrella, Collections
- When was review last completed?
 - Any Updates?
 - Best use of Premium Dollars?
- Gaps in Coverage

Auto Insurance





FAKE COMPANY

123 FAKE BOULEVARD
TOWNSVILLE, NJ 01234

DECLARATIONS PAGE

POLICY NUMBER: 123-456-7890
COVERAGE PERIOD:
09/31/2008 through 09/31/2009

DATE POLICY ISSUED: **SEPTEMBER 31, 2008**

JOE SAMPLE
567 FAKE ST
CITYVILLE, NJ 02345

ADDITIONAL DRIVERS:
JANE SAMPLE

INSURED PHONE NUMBER (908) 555-1234
INSURED EMAIL: joe@fake.com

VEHICLE	YEAR	MAKE MODEL TRIM	STYLE	VIN	PARKED AT:
CAR 1	2007	Fakemobile STV-3	4-Door	1A2B3CD4E5F6G7H8I9J	567 Fake St
CAR 2	2006	NotRealMobile IV	Coupe	L5M6N7O8P9Q0R1S2T3	567 Fake St

COVERAGES	LIMITS/DEDUCTIBLES	CAR 1	CAR 2
BODILY INJURY LIABILITY (PER PERSON/PER OCCURRENCE)	\$100,000/\$300,000	\$110	\$104
PROPERTY DAMAGE LIABILITY	\$50,000	\$92	\$84
PERSONAL INJURY PROTECTION	\$250,000	\$504	\$478
UNINSURED / UNDERINSURED MOTORIST COVERAGE	\$100,000/\$200,000	\$31	\$19
COMPREHENSIVE COVERAGE	\$500 Deductible	-	-
COLLISION COVERAGE (PER PERSON/PER OCCURRENCE)	\$500 Deductible	-	-
EMERGENCY ROAD SERVICE	FULL	\$6	\$4
RENTAL	\$30/DAY - \$900 MAX	\$12	\$15
TOTAL PREMIUM PER VEHICLE		\$755	\$704

LOSS PAYEE:
BANK OF USA, PO BOX 123, FAKETOWN, NJ 04567

TOTAL POLICY PREMIUM \$1,459

DISCOUNTS
MULTIPLE VEHICLES ON POLICY \$40

Auto Insurance Coverage

- Liability, Property Damage, and Med Pay
- Collision
- Comprehensive
- Rental Car Reimbursement
- Towing/Labor

- **Enhancements:**
 - Full Glass Coverage - \$0 Out of Pocket
 - Loan/Lease GAP Coverage
 - Original Equipment Manufacturer (OEM) Parts
 - Agreed Value vs. Actual Cash Value



Homeowners Insurance



1 Insurance Company

POLICY NUMBER: 123-45-678
POLICY EFFECTIVE DATE: JAN 1 2019



Summary

2 NAMED INSURED AND ADDRESS		YOUR AGENT IS	
JANE DOE 1234 HAPPY LANE CITY, TX 00000		A. GENT (123)-456-7890	
3 POLICY NUMBER	4 POLICY PERIOD		
123-45-678	EFFECTIVE JAN 1 2019 TO JUN 1 2019		
5 LOCATION OF PROPERTY			
1234 HAPPY LANE CITY, TX 00000			

Coverage

6 COVERAGE	7 LIMITS	8 DEDUCTIBLES (SECTION I)
SECTION I		<i>We cover only that part of the loss over the deductible stated.</i>
DWELLING	\$200,000	WIND AND HAIL - \$2,000 (1%)
OTHER STRUCTURES	\$25,000	ALL OTHER PERILS - \$2,000 (1%)
PERSONAL PROPERTY	\$150,000	
LOSS OF USE	\$50,000	
SECTION II		
PERSONAL LIABILITY (EACH OCCURRENCE)	\$300,000 \$5,000	
MED PAY TO OTHERS		
9 TOTAL PREMIUM		\$1,205.95

Your Policy Documents

HOMEOWNERS POLICY H0100-01	10 ENDORSEMENTS AB1234 CD5678 EF0000
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Home Insurance Options

- Water Back-Up
- Cash-Out
- Service Line
 - Water, Sewer, Electric, Gas
- Equipment Breakdown
 - HVAC, Home mechanicals



Collections Coverage

Coverage for your jewelry, furs, firearms, artwork

- No Deductible
- Agreed Value
- Covers Sporting Equipment
 - Bicycles, Saddles, Musical Instruments, Etc.
- Pairs and Sets
- Blanket Coverage
- Covers Lost and Damaged Items

Cyber Insurance

- Limits from \$25,000-\$1M available
- Online Fraud
- Cyber extortion
- Phishing emails
- Phone scams
- Wire Transfer



Common Coverage Gaps

- Drastically underinsured homes (no review since updating or adding on to home)
- Low deductibles
- Low liability limits
- Unscheduled collection items
- No umbrella



Claim Example

- Home with elevated shared-drive between homes has water damage with heavy rain storms
- Water comes into the home through the attached garage
- First level is wet and water goes down into the basement
- Surface water is due to drainage path backing up due to poor landscape maintenance
- Surface water is visible on neighboring property as well
- Is there coverage with the home insurance policy?

Claim Example

- An insured receives an email request from their sister who lives in Paris asking for \$2,000
- A week later another request for \$5,000
- Neither transfer arrived

- An insured booked a family vacation at a rental home in the Cayman Islands, paid \$1,000 deposit
- Never heard from rental company
- After further investigation, learned home did not exist

Umbrella Coverage

- Provides Additional Liability Coverage over Home and Auto
- Protects When Underlying Policies are Exhausted
- Extra Protection against Uninsured or Underinsured Motorists
- Non Profit Directors & Officers Coverage
 - Bodily Injury and Property Damage



How Big should my Umbrella be?

- Limit Determined by Risk Profile
 - Lifestyle Exposures
 - Teenage Drivers
 - Boards
 - Future Wealth
 - Investments



Umbrella Claims

- An insured allowed a friend to drive his Porsche
- The friend had never driven a car that could go 0-60 in 2.2 seconds
- Lost control, and struck another driver, who also happened to be driving a Porsche
- Injured party can no longer work—22 years left
- \$930,000 salary
- Who is liable?
- How much is suit for?



Additional Insureds

- Trusts
 - Revocable vs. Irrevocable
 - Listing Beneficiaries
 - Assets in the trust?
- LLCs
- Additional Drivers
 - Nanny/ caregiver

Current Risk Management “Hot Spots”

- Rental Home (Air B&B, VRBO)
- Flood & Wind
- Home Businesses
- Home Remodels
- Employer Practices Liability (EPLI)
 - Nanny pods
 - Home Schooling/ Virtual Learning Groups



How to Start the Insurance Conversation

Ask your client when their coverage was last reviewed

- Have they had any work done on their home? Additions?
- Consolidation of assets?
- Any new purchases of valuable items?
- Teenage Drivers?



Thank You!



OVERMYER HALL
ASSOCIATES

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