

Insurance Talk Winter 2019



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Showdown at the Car Rental Counter

I take a few deep breaths before approaching the counter. I know their rep is well trained and armed with a 1,000 word contract that's written in his favor. Plus he has fear on his side. He knows what to say to scare me. I give my name and driver's license as a signal the game is about to begin.

But I'm not a rookie. For 35 years I've been studying how car insurance policies cover damaged rental cars. I know my policy covers the rental car, liability to others, plus the loss of use charges. I end the game before it even starts. 'I don't need any of your options' I say with confidence. He hands me the paperwork. I initial in 7 places and I'm ready for the car.

Insurance Agent Test

If you've ever driven home to make sure the garage door stayed closed, you may be an insurance agent.
 If you won't allow a lit candle in your house, you may be an insurance agent.
 If you don't think there's anything romantic about a fireplace, you may be an insurance agent.
 If you hide valuables in the trunk of your car, you may be an insurance agent.
 If you've ever checked your sump pump in the middle of the night, you may be an insurance agent.
 If you check the battery backup on your sump pump daily, you may be an insurance agent.
 If you check your gutters and downspouts during a storm, you may be an insurance agent.
 If you have your roof inspected twice a year, you may be an insurance agent.
 If you've ever shoveled snow off the roof, you may be an insurance agent.
 If you've ever given gutter guard as a housewarming gift, you may be an insurance agent.
 If you've ever disabled the ice maker in the refrigerator, you may be an insurance agent.
 If you've ever hired a contractor to remove ice from the gutter, you may be an insurance agent.
 If you own a backup generator, you may be an insurance agent.

Homeowner Policy Won't Replace Antique TV



For her birthday, I took my mother to the Ohio Historical Center. Erma Bombeck, her favorite author, was being featured. While touring the center, we came upon an old TV set playing a rerun of The Adventures of Ozzie and Harriett. Mom was a good sport when I asked her to pose for this photo.

Although homeowner policies will pay full replacement for damaged goods, there are exceptions. Antiques or items of sentimental value are not covered for replacement. A TV like this one should be covered on a personal articles floater. A value can be determined before a loss. When the insurance company and policyholder agree in advance, the claim process is smooth.

Insurance Industry Struggles with Water Claims

About 20% of all homeowner claims are related to non-weather water. Accounting for 24% of all claims, wind damage is the most common claim.



My sister lives in Connecticut. Pictured above is her kitchen shortly after the dishwasher malfunctioned. The cause of the water leak was not determined. She thought it was making a funny sound days before the problem. Her husband said it was fine.

Fortunately she was home at the time the water escaped. She normally turns on the dishwasher as she is leaving the house. That would have made things much worst.

The claim cost is about \$9,000.



Homeowner insurance can now include coverage for service lines at the residence. For \$10,000 coverage the premium is only \$25. Service lines include utility lines for water, electricity, heating, drainage and communications. The rider covers damage due to freezing, tree roots, breakage, rupture, wear, tear, rust, and corrosion.

Pictured above are lawn repairs after a drain line fix for our next door neighbor. Over time, a section of the line collapsed.



Laurie Snyder works in our agency as a service rep. Pictured above are repairs to her home after a second floor toilet overflowed. The float failed to shut off the water after use.

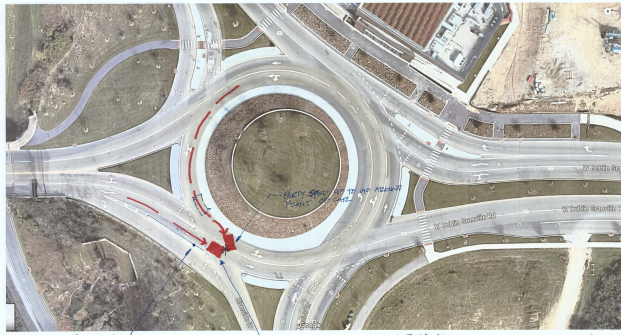
‘Never trust a flush’ I say. Wait until the toilet turns quiet and gives the all clear.



Squirrel Chews Guard—Birds Move In

During a heavy rainstorm my wife noticed water rushing over top of the gutter in the back of our house. She called the office to let me know. (A persistent challenge for us over our 38 years together is how much communication to have during the work day. She thinks its nice for married couples to stay in touch. I get involved in my work and think we have plenty of time in the evening to get caught up). When I got home I saw the brick wall was still wet (photo),

According to the gutter repair company, an animal, most likely a squirrel, chewed thru the gutter guard. Then birds built a nest in that spot. The clogged downspout kept water from draining. Left unattended, problems with wet soil and a damp basement would have been the result.



Pictured is the roundabout at Dublin Granville Rd and Riverside Drive in Dublin. I avoid using it and I suggest you do as well. There are too many lanes coming into the circle.

A car belonging to one of our long term customers was hit in this traffic circle. While entering, he was hit by someone already in the circle. The police officer said our driver was at fault. After all, everybody knows the car in the circle has the right of way.

Our driver was able to show how the other car changed lanes right inside the circle! Note on the drawing where the car on the inside lane hit our driver. In spite of the police officers report, our driver was not responsible. Our insured is an architect and made this drawing.



One of the larger claims in our office this year occurred when corroded pipes burst. As a result a hot water heater leaked all night. It happened in an office building and a large area was damaged. Beside the landlords building, there was also damage to goods belonging to several tenants.

Is the landlord responsible for the tenants loss? The question is answered by the language in the lease. In this case, the tenant released the landlord from responsibility except for "fault or negligence". Since there appears to be no fault or negligence by the landlord, there is no liability to the tenants. Each tenant would file a claim under their own policy.

Undercover Claim Adjuster

In general I like the work. I've been a claims adjuster for 15 years so I understand how the system works. Most people are fair and only want what they have coming. Unfortunately, some people think the big insurance company has so much money they can inflate their claim. Or maybe they think I can find a way to make their deductible disappear. Others think I get a cut if I can deny their claim or settle it for a small amount. That's completely false.

I work out of my home. It's not for everybody but it works for me. I like knowing I can take time during the day for something personal and make it up (and more) later that evening. Some people feel a little isolated when they work at home. They miss the comradery that comes with office life. Yes, at times I miss that too. But I don't miss office politics. Plus I'm in touch with policyholders, claimants, body shops, and repair companies all day long.

Most agents are pretty good to work with. They write the proper coverage and submit the claim report with all the info. A few even show me the policy language where coverage can be found. If there's no coverage, some agents will explain it to their client. That makes my job easier. Unfortunately, some agents submit the claim with half the info missing and wonder why the settlement process is dragging.



Handyman Injured—Homeowner Worried

One of our customers has used the same handyman for years. They don't use a contract or even an estimate. Just a handshake between the parties. When the work is done the bill is paid. Never any questions.

While cleaning gutters the handyman fell from a second story. Due to a communication problem our customer was told he only had minimal liability coverage. His worry about a lawsuit led to a sleepless night. When he and I spoke the next day I cleared up the communication problem and told him about his large umbrella policy. I think he slept better that night. Putting people at ease is an enjoyable part of my job.

Golf Course Makes it Clear—Golfer Responsible

This past fall I played in a golf outing to benefit Watterson High School, my alma mater. Many of the holes ran between houses that were somewhat close to play. Signs on the tees warned golfers they were responsible for damage caused by errant golf shots.

I disagreed. In my view, anyone that builds a house in close proximity of a golf course enjoys the view and assumes the risk. However, I guess I'm wrong. I checked with several claim professionals who confirmed that golfers are liable. Honestly, that doesn't seem right to me.



Agency Recognized for 50 Years



The Conway Center for Family Business exists to help family owned companies succeed. Annually a banquet is held to honor milestones for businesses that are members of the organization. Our agency was recognized at the 2018 banquet for 50 years in business. Kelly Johnston, Dan Guarasci, and Paula Hamilton accepted the award.

I was out of town but that evening I heard from daughter Kelly and son Dan. Prior to the event, neither had given much thought to what it means to be in business that long. When they looked around the packed banquet hall it hit them - longevity in business is something special.

From the Mailroom

Dear Ralph,

General Kelly put your newsletter on my desk. He thought it might be another example of "fake news". People think I don't read. They're wrong. I read the whole newsletter. Honestly, I don't know if its real or fake. But it was entertaining. My economy has people buying things, making things, and spending money. When Obama was president you had nothing to write about and I'm sure your newsletters were very boring.

President Donald J Trump

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