



THE Insurancenter NEWSLETTER

Summer 2020

Insurance Issues During the Coronavirus Outbreak



AT FIRST glance, it seems like the coronavirus outbreak would not affect your homeowner's coverage since it's a disease that isn't likely to impact your premiums or force you to file an insurance claim if you or one of your family members contracts COVID-19.

But, because of the circumstances of many people now working from home and people self-isolating, there are a few instances you need to be aware of that could require you to take some action on your policies.

Also, if you have a claim at this time, you and the insurance company may need to make special arrangements as it's unlikely that the insurer can send a claims adjuster to your home during the ongoing health crisis.

And what if you can't afford to renew your policies if your income stream has dried up?

Here's what you should know about your homeowner's insurance at this time.

Business at home

If you have had to move your business to your home, you may want to review your homeowner's coverage.

A typical policy has low limits on business property (usually up to about \$2,000), which would likely not be enough if your equipment is damaged or stolen.

If you are suddenly running your business from home, please call us and we can go through your policy and, if needed, we can work with your insurer to see if they offer a home business endorsement or higher coverage limits for business property.

If your home is held out for rental to a tenant, your policy has a section of coverage titled Loss of Rent. This section of coverage is designed to reimburse homeowners for lost rental income if the home is physically damaged by a 'Covered Peril', resulting in a tenant being unable to live there.

Unfortunately, insurance carriers are advising that since the Coronavirus does not cause physical damage that renders the property uninhabitable, there may not be available coverage for this unique exposure. If a Civil Authority prohibits the home from being rented, most insurance policies again require that there must be an element of physical damage to the surrounding area in order for the coverage to apply. Please check your individual policy contract for details and contact us if you have any questions.

Filing a claim

If you have an incident in your home and need to file a claim, there's a good chance that your insurer will be unable to send an adjuster for an inspection.

Most homeowner's insurers now have apps or offer you the ability to file your claim online on their website.

The procedure for filing a claim using an app or doing it on your insurer's website is pretty straightforward. You can start by taking pictures of the damage and providing receipts or a list of the property that may have been damaged or stolen. If it was stolen, make sure you file a police report and submit that with the claim as well.

But, if you have a high-dollar claim, the insurer may send an adjuster to inspect the damage before they pay the claim. For smaller claims, it's likely they will pay them out.

What insurers are doing

Insurers are making adjustments to their operations and policies during this time, as well.

See 'Some' on page 2

Welcome to The Insurancenter Newsletter!

It is with great satisfaction that we bring this newsletter to you. In this issue and in coming months, we will discuss pertinent risk management topics which may affect you and your family. We sincerely hope that you will find this newsletter informative and please do not hesitate to contact us should you have any questions or needs.



You Can Do Better With Us!

The Future of Insurance with Smart Cars

WITH MORE cars connected to the web, helping us navigate, talking to other cars as we zoom down the road and sometimes even driving for us, it won't be long until our autos can also make an insurance claim for us after an accident.

Consider that more cars are being built with sensors and technology that allows them to communicate with external parties. It's not hard to imagine that the car could communicate immediately with emergency services and your insurance company if there is an impact.

The emergency authorities could be notified in real time with detailed information about the condition of the vehicle and the location of the accident.

Insurers are currently teaming up with tech firms and are developing programs that would prompt your vehicle to report immediately to your insurance company's data center if it's been in an accident, which could start the claim. These programs could also:

- Arrange for immediate roadside assistance.
- Arrange for a replacement vehicle or rental.
- Provide a data-rich first notice of loss to your insurance company.
- Assess the vehicle damage using onboard sensors, and use predictive analytics to determine the cost of repairs.
- Create predictive estimates and parts requirements lists, and

then send that information to dealers or parts procurement companies.

- Identify which shop is best positioned to repair the vehicle, based on shop scorecards and availability.
- Keep you informed of what is happening at all times, via mobile communications.

Right now, all of the technological parts of this puzzle are in place, and insurers are working with tech companies on apps to make it happen.

Pioneering partnerships

Insurance companies are also currently working to create partnerships with auto manufacturers to make all this a reality.

The most notable of these partnerships involves General Motor's OnStar system, with the auto giant having secured relationships with about a half dozen auto insurance companies already in the US.

In Europe, BMW and Allianz have a similar partnership.

The evolution is ongoing, but in the next few years, as cars become smarter, it won't be long until we see the next stage in development for car insurance that will make your life easier and also give you an added sense of security. ❖

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Some Insurers Are Postponing Scheduled Home Inspections

Their actions will vary from company to company, but there are similarities in some of their responses:

- Some insurers have announced that they won't cancel a policy for a policyholder who is temporarily out of work or has seen their income drastically cut. These carriers are granting premium payment extensions.
- For those people whose policies may be in danger of lapsing because they cannot afford to pay the full premium, some insurers are working with them to reinstate the policies and set up a

payment plan. They are often waiving reinstatement fees as well.

- Many insurers are postponing scheduled home inspections.
- If an insurer has asked that certain home repairs be carried out for a policy to renew, and the policyholder can't meet the inspection deadline, some companies are giving more time to finish the repairs.

Insurers are still running their call centers (in some areas, these staff are working from home). ❖

You Can Do Better With Us!

Dog Owners Liable When Their Pets Bite



AMERICANS HAVE more than 90 million dogs as pets, according to the American Pet Products Association.

And there are more than 5 million dog bites reported each year, according to the Centers for Disease Control. Of that amount, almost 900,000 require medical care, and about 50% of cases involve kids.

While insurers will cover most dogs, some will not insure a long list of specific breeds. Dobermans and pit bulls are on many of the exclusion lists.

Some insurers do not discriminate by breed and instead determine a dog's status by individual evaluation.

If their pets bite guests or people who come on their property, owners are almost always liable for the damages. A dog does not have to be on a list of vicious breeds to make an owner liable.

If an owner knew of a dog's tendency to bite and it can be proven the dog has attacked in the past, the owner may be sued for negligence and the damages are likely to be higher than if the dog had not shown aggressiveness to humans in the past.

That said, the owner may not be liable if the dog did not have a known propensity to bite and was not considered a vicious breed. For example, a mellow basset hound biting a person for the first time may not result in responsibility by the owner.

However, a pit bull biting a person for the first time would likely result in the owner being held liable.

In some states, insurers are not allowed to deny coverage to people with certain dog breeds. In other states, dog owners are required to buy additional liability insurance if they own certain breeds of dogs.

There are three types of laws that put liability on dog owners:

- A bite law places automatic liability on the owner for any injuries.
- A one-bite rule places liability on the owner only if they knew of the dog's propensity to bite.
- Negligence laws place liability on an owner if the owner is careless in controlling the animal.

Impact of dog bites

In 2018, dog bite claims accounted for about 35% of all liability claims among homeowners. The total amount paid by insurers in claims was over \$600 million.

The average cost in the US in 2018 for claims of this type was more than \$39,000.

Costs have risen steadily over the past few years, which is mostly due to the rising costs of medical care and the larger settlement awards for lawsuits.

Not all claim amounts are attributable only to dog bites. In addition to biting people, dogs

can also knock down children and elderly individuals, which results in additional injuries.

They can also knock cyclists off of their bikes and cause damage to both the cyclists and their bikes.

Other factors also increase the severity of some incidents and lead to higher claim amounts.



PREVENTING ATTACKS

- Keep pets in crates or in a locked room when guests visit or when service workers come to the house.
- If you have an aggressive dog, make sure you strap on a muzzle if it is around people.
- For outdoor pets, provide sturdy fencing and a locked gate.
- Post signs on your fence that alert people of the dog's presence.
- If there is no fence around the yard, keep the dog on a leash when taking it outdoors.
- Do not let strangers pet your dog.

To learn more about the insurance considerations of owning a dog, call us. ❖

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YOU are the best advertising we can get!



Here's how it works:

- Refer someone to The Insurancenter. When they contact us for a quote and they tell us you sent them (don't worry, we'll ask) you will receive a \$5 Walmart gift card.
- It's really that simple!
- Rules and conditions are posted on our agency's website.
- Thank you for talking about The Insurancenter!

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