



Insurance Insights

NEWS, TIPS AND INFORMATION FROM YOUR INSURANCE PROFESSIONALS

VOLUME 3 NUMBER 3

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Do You Need an Umbrella? Here Are Some Things to Consider

Standard auto, homeowner's, and boat insurance policies cover liability a person may have for injuries or property damage suffered by someone else. Insurance companies design them to cover accidents for which the insured person may owe tens or even hundreds of thousands of dollars. However, sometimes the person may be responsible for an accident so catastrophic that the damages are \$1,000,000 or more. To cover financially devastating events like these, insurance companies offer personal umbrella policies. These policies provide additional protection when an accident uses up the amounts of insurance provided by the other policies. They may also cover some types of losses these other policies do not cover.

There is not a "standard" umbrella policy; each company's offering will be different. Therefore, it helps to have a checklist of considerations when evaluating a policy.

First, identify those things that could expose you to a catastrophic loss. How many cars do you own? Do you have inexperienced drivers in your household? Household attractions like swimming pools, trampolines, and swing-sets present an exposure to severe losses. Boats, like cars, can cause serious injuries and damage if the operators are inattentive, intoxicated, or inexperienced.

Next, identify other exposures you may have that do not involve potential physical injury,

illness, property damage, or that might require different coverage. Do you or any members of your family participate in social media websites or online discussion forums? Does anyone coach a youth sports team, belong to the governing board of a non-profit organization, write computer code as a hobby, or give music lessons? These activities present different exposures to legal liability.

Review your insurance policies. How much will your auto insurance pay for injuries to one other person? How much will it pay collectively for injuries to more than one? How much will it pay for property damage? How much will your homeowners policy pay for your personal liability for an accident? Does it cover any business activities? Does it cover family members accused of slander, libel, or defamation of character in online postings? Does it cover you for allegedly causing mental anguish to a kid who didn't get much playing time on a team you coached, or trouble caused by a computer program you wrote? How much will your boat-owners policy pay for your liability for boating accidents? The answers to these questions will tell you where an umbrella policy can help.

For example, if your auto policy will pay up to \$250,000 for injuries to one person and \$500,000 for injuries to multiple people, an um-

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Steps Homeowners Can Take to Limit the Effects of Natural Disasters and Expedite Recovery

As the fun and sun of warmer weather arrives, so does the threat of many natural disasters. Happenings like earthquakes are always a threat, but floods, wildfires, hurricanes, tornadoes, and such are more apt to strike in the warmer summer months. The flood planning mentioned previously is also applicable to hurricane planning.

1. Planning

There are some basics that any natural disaster plan should include:

- * Always have several escape routes mapped out. Each family member should know where to meet, who to call for help, and where to call to signal their safety to other family members. Your family safety plan should be posted in a central location and the escape route and emergency contact numbers should be reviewed every six months.
- * If possible, store irreplaceable items and documents like birth, marriage, death, and divorce certificates; passports; deeds; social security cards; expensive jewelry; and heirlooms in a safety deposit box during high-risk seasons if you live in an area frequently hit by natural disasters. You may also put video or photo documentation, a listing of serial numbers, appraisals, and receipts for these items in your safety deposit box.
- * Scan your photos to your computer. You can store your photos with an online storage service or make a CD or flash drive to place in your safety deposit box.
- * You should have an emergency overnight bag ready to go for every person and pet in your family and always keep a credit card, emergency cash supply, and personal identification with you during high-risk seasons.

As far as disaster-specific planning goes, here are some key points:

Flood planning

Many people live in possible flood areas and don't realize it. For example, those living in areas that recently had a wildfire and those living downstream from a dam could have problems with flash flooding. Those living in or near a construction area could find their risk of flooding increased due to changes in water flow patterns. You can assess your risk of flooding by contacting your local building authority and your BancorpSouth Insurance Services, Inc. agent.

Since basements aren't usually covered by typical flood insurance policies, those with a basement need a plan on moving their valuables to upper-levels. Do make sure that you have an escape plan, as discussed above, in place for your family.

Hurricane planning

Most people in areas prone to hurricanes are already on high alert during hurricane season, but do keep in mind that hurricanes and the stormy remnants are often unpredictable.

The flood planning previously mentioned is applicable to hurricane planning. Additionally, you'll want to have a supply of nails and plywood ready to go so that you can board-up your home before evacuation.

Remember, if your local authorities issue an evacuation, then you need to heed it.

Wildfire planning

Wildfires can begin unnoticed and spread rapidly with little forewarning. An effective evacuation plan is vital in many cases. If you do have forewarning, then stay tuned to the emergency broadcasts and follow the evacuation directions from local authorities. Remember to take your emergency evacuation bag with you.

If you're under a warning, but haven't been advised to evacuate yet, then you might have time to turn off your gas lines and propane tanks, soak your roof and shrubs with water, move flammable furniture to the center of rooms, and move large valuables to the safest location possible.

Tornado planning

Unlike many other disastrous events, leaving your home during a tornado warning is seldom a wise move. Everyone in your family should know where they should go during a tornado warning. While a basement is ideal, not everyone has one. You can use a central room; preferably one that doesn't have windows or overhead objects. Be sure your emergency kit and phone numbers are in your designated room.

Earthquake planning

Follow the directions from tornado planning. You might also want to place an emergency kit in your vehicle and at your place of employment. Check to make sure your child's school is also well-prepared.

2. Prevention

Aside from living in an area not prone to natural disasters, there isn't much you can do to avoid them. However, unlike most other natural disasters, wildfires can sometimes be prevented. You can personally prevent fires by being careful when using open flames, maintaining your chimney flue, and not throwing cigarettes outdoors. Of course, wildfires can happen regardless of your personal care with fire.

You can help to prevent flames from impacting your home by creating a defensible space. In fact, some insurers are now inspecting properties for defensible space before issuing or renewing policies. Your BancorpSouth Insurance Services, Inc. agent, local agricultural organizations, and federal agencies like the American Red Cross and FEMA are valuable information sources on creating defensible spaces.

The damage of flooding can also be limited by planning water diversions and landscaping as protective devices.

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Are Your Valuable Collectibles And Antiques Adequately Protected?

Many Americans have a passion for collecting costly antiques, while others may simply inherit some valuable antiques from their relatives. Either way, these antiques are often not adequately protected under a typical homeowner's insurance policy. Being inadequately insured could mean significant financial and emotional loss if something were to happen to one of your antiques.

As far as antiques go, a standard homeowner's insurance policy may very likely include restrictive coverage and limits and have a valuation only on the Actual Cash Value. Before you mistakenly assume that adding a personal property replacement cost endorsement to your homeowner's policy will provide you with coverage, you should realize that the endorsement lists several ineligible properties, including antiques, paintings, art, and memorabilia. There are also several coverage restrictions, such as excluding coverage if the antique is accidentally scratched or broken.

Here are six tips that may help you better protect your valuable antiques and collectibles:

1. Make an inventory of all your antiques and otherwise valuable collectibles. Take pictures and videos of each item, making sure to capture the item from all angles.
2. Ensure that your antiques and collectibles are appropriately stored and adequately secured.
3. For items of a lesser value, a general value assessment can be obtained for free online if you have a good photo and description for the antique or fine art dealer. For extensive or high-value collections, you certainly need to consider contacting an experienced antique appraiser. Most appraisers will need to inspect high-value pieces in person. The appraisal should include the replacement value, auction value, a description, and any comments the appraiser has about the item. Of course, this will most often involve a fee-for-service. Make sure the appraisal is done as per the requirements and codes of the American Appraisers Association and American Society of Appraisers.
4. Common, less valuable objects can usually be valued online with the use of auction sites like eBay. This can give you a good market value for an item. Make sure you note both the asking and closing price of the item, but remember that the closing price will give you the best idea of the true value of the item.
5. Schedule an appointment with your BancorpSouth Insurance Services, Inc. agent to determine if your existing coverage adequately covers and protects your antiques and collectibles, and, if not, what coverages you may need. Be sure to bring your inventory, photos, videos, and appraisals to the appointment.
6. Ask your BancorpSouth Insurance Services, Inc. agent about a personal inland marine policy or endorsement, which can be added to your existing homeowner's insurance policy to schedule your items on an agreed value based on the item's appraisal. Although the above may also contain an exclusion for breakage, the exclusion can usually be eliminated for an extra cost.

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Umbrella with a \$1,000,000 limit will give you insurance equaling \$1,500,000 for injuries to two or more people. If your homeowner's policy will pay up to \$300,000 for your liability, the same umbrella will afford \$1,300,000 if someone gets seriously hurt at your home. The umbrella limit of insurance also applies on top of the limit on the boat policy.

In addition, the umbrella may cover things like volunteer activities, statements made online, and certain business activities that a homeowner's or auto policy might not cover. Normally, the insurance company will require you to pay a

deductible amount (such as \$250 or \$500) before it will pay for a loss that one of these other policies does not cover.

A BancorpSouth Insurance Services, Inc. agent can help you sort out what your current insurance does and does not cover and what additional coverages an umbrella will provide. It is important to compare all the coverages the policies provide and not just their prices. Fortunately, catastrophic accidents are extremely rare, but having an umbrella policy when they happen can make it easier to get through them.

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3. Insurance

Last, but certainly not least, you should make sure your existing insurance is providing adequate protection. For example, your regular homeowner's policy most likely won't provide coverage if a boulder falls or rolls into your home since such would be considered an earth movement and need to be covered by earthquake insurance. Another

example would be your regular homeowner's policy not covering damage from a water or sewage system outside your home breaking, or damages from a flash flood, as these would fall under flood insurance. If you obtain flood insurance, keep in mind that the coverage won't become effective for 30 days and your basement usually still won't be covered.



Do Not Fall Prey to a Staged Auto Accident

As if it wasn't painful enough to be found at fault in an auto accident, imagine finding out that it was not an "accident" after all. Each year thousands of drivers become victims of staged auto accidents, and most never realize it. Criminals plan the accident to appear as the innocent driver is at fault, and then file claims for vehicle damage and personal injury to the at fault driver's insurance company.

The CPCU Society and the National Insurance Crime Bureau offer the following safety tips to help avoid these scams:

- When driving look beyond the car in front of you. If you see traffic slowing, start applying the brakes—don't wait for the car in front of you to brake first.
- Allow plenty of space between your car and the car ahead of you so you have time to react to sudden stop. The general rule is one car length for every ten miles per hour traveled.
- Be especially careful when turning into a lane that allows for two vehicles to turn left simultaneously. People committing staged collisions often prey on cars that cross

the center line, purposely sideswiping the victim's car.

- Call the police to the scene and get a police report, even if damage is negligible. If the police report describes the resulting damage as minimal, it will be harder for the criminal to inflict further damage to their car afterwards and collect a larger claim.
- Carry a disposable camera in your glove compartment and take as many pictures of the other car and its passengers as possible.
- If you suspect a scam, call the NICB hotline at (800) TEL-NICB.



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