



# The Gundermann & Gundermann Gazette

FALL 2008

## DOG BITE CLAIMS CONTINUE TO ESCALATE

**D**og bites continue to escalate in our society despite the best efforts of pet societies to educate their members on the issue. They now account for 30%+ of all homeowners insurance liability claims, generating about \$350 million in claims in 2007. This is up 10.5% from the previous year, according to research generated by the Insurance Information Institute. The average cost of a claim in 2007 was \$24,511. Since 2003, the cost of this type of claim has risen by about 28%

Industry experts advise that pet owners are usually liable for injuries caused by bites if:

- An owner knew the dog had a tendency to bite
- If your state's statute makes the owner liable regardless of whether they knew of their dog's tendency
- If the injury was caused by unreasonable carelessness on the part of an owner

From an insurance perspective, we recommend that all of our customers with dogs carry adequate liability limits to cover a loss. This would include both primary policy limits and umbrella/excess liability policy limits. Unsure of your policy's liability limits? Unaware of the fact that umbrella or excess liability insurance policies are affordable for the average person? Then call us. Let's talk pets and the need for adequate liability limits.



*By Christine McDonough*

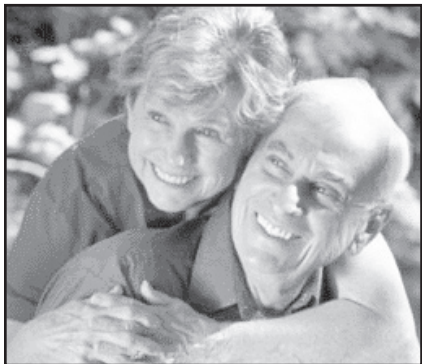
*Christine has recently joined the Gundermann & Gundermann team. She brings with her, twenty-two years of experience, primarily in personal lines. Christine began her career in customer service, moving on to being a claims manager, and for the past eight years, in sales. Chris is currently our lead producer for our Private Client Group.*

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## ***PREPARING FOR LONG TERM CARE IS YOUR RESPONSIBILITY***



Long term care insurance can play a critical role, providing a variety of important benefits:

- It is insurance primarily designed to cover the costs associated with long term care, helping protect your assets for the purpose you intended.

- It enables you to participate in the choice of where you receive care, including in nursing homes, assisted living facilities', adult day care centers, and home settings—where many people prefer to stay.
- The cost of coverage is based on your age and health when you apply. So, the younger and healthier you are, the lower your premiums may be.

Long term care insurance doesn't replace what families do, but it does help them provide care for their loved ones better and longer.

Please call John Ochmanowicz, our LTC specialist, with any questions.

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## ***DIFFUSE THOSE ELECTRICAL FIRES***

The following insurance tips are from the International Risk Management Institute.

Defective electrical wiring systems cause approximately 40,000 residential fires annually, according to a United States Consumer Product Safety Commission study. In addition, electric cords and plugs are involved in about 7,000 fires annually. The National Electrical Safety Foundation offers numerous tips to safeguard the home against electrical fire and related losses, including the following:

- Do not overload outlets and extension cords.
- Examine electrical cords to ensure they are not frayed, damaged or placed under rugs or carpets.
- Verify that the proper wattage bulbs are being used in light fixtures and lamps.
- Consider installing ground fault circuit interrupters in bathrooms, utility rooms and kitchens. This device protects people against electrocution by shutting down the electrical system if it detects any imbalance in the electricity.
- Take steps to safeguard electrical appliances from power surges. A power surge is a sudden rise of current or voltage in an electrical circuit that can last up to several seconds and can ruin electrical appliances and equipment, such as computers. You can purchase surge protection devices to safeguard against the problem.
- Consider updating the entire electrical system if the home is more than 40 years old. Older homes are more susceptible to electrical fire. For example, many older homes contain aluminum wiring, which is much more susceptible to starting fires than the copper wire required by modern building codes.
- Install child tamper-resistant electrical outlets to prevent a child from inserting something into the outlet holes.
- Install arc fault circuit interrupters to avoid fires caused by arc faults. An arc fault is a discharge of electric current across a gap. This can be caused by improper electrical connections, pinched wire insulation, and overheated wires.

Note that many insurers offer discounts for some of these electrical safety improvements. Please call for details.

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## ***WHO NEEDS FLOOD INSURANCE? EVERYONE!***

**MYTH:** You can't buy flood insurance if you are located in a high-flood-risk area.

**FACT:** You can buy National Flood Insurance no matter where you live if your community participates in the NFIP, except in Coastal Barrier Resources System (CBRS) areas. The Flood Disaster Protection Act of 1973, as amended, requires federally regulated lending institutions to make sure that mortgage loans secured by buildings in high-flood-risk areas are protected by flood insurance.

Lenders should notify borrowers, prior to closing, that their property is located in a high-flood-risk area and that National Flood Insurance is required.

**MYTH:** The NFIP does not cover flooding resulting from hurricanes or the overflow of rivers or tidal waters.

**FACT:** The NFIP defines covered flooding as a general and temporary condition during which the surface of normally dry land is partially or completely inundated. Two properties in the area or two or more acres must be affected. Flooding can be caused by:

- Overflow of inland or tidal waters, or
- Unusual and rapid accumulation or runoff of surface waters from any source, such as heavy rainfall, or mudflow, or
- Collapse or subsidence of land along the shore of a lake or other body of water, resulting from erosion or the effect of waves, or water currents exceeding normal, cyclical levels.

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## ***PREVENTING WATER DAMAGE IN YOUR HOME***

Water damage in a home, apartment or condominium can damage multiple components of the property, including a building's core structure, the resident's personal property and/or irreplaceable family heirlooms. Water leaks can happen anywhere in a home, but they occur most frequently in the kitchen, bathroom and laundry room. Here are some tips to reduce them:

- **DISHWASHER** – Periodically, check under the sink to see if the hose connection to the water supply line is secure and not leaking. Check the base of the dishwasher for evidence of leaks.
- **REFRIGERATOR** – If your refrigerator has an ice maker, check the hose connection to make sure it is securely attached to the water supply line. Also check to insure the water line is not crimped. At the first sign of water under a unit, self-diagnose or call for professional help quickly. This type of leak will not stop on its own!

- **SINKS** – Re-caulk around all sinks and clean out any slow draining pipes. Many sink leaks go undetected as the wet area is often out of sight. There is emerging technology to alert homeowners when leaks occur. Known as water-leakage sensors, they sound an alarm if water is detected. Some insurers provide discounts if you install water detection devices. To prevent pipes from breaking in the winter when a homeowner might be away, one can also install low-temperature sensors. These notify a private monitoring company, which gets in touch with the homeowner if the house temperature drops to a certain level.

Reducing water leaks and resultant claims will not only keep a property dry, but may also keep your insurance premiums from significantly increasing.

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## *VISIT WITH US IN PERSON!*

We enjoy visits from our customers and their families. It offers you a chance to meet the customer service representative handling your account. We usually stock a supply of calendars, information booklets and safe driving information that you can take home.

While visiting, we can also review your current insurance program to insure it's up-to-date.

So stop on by!

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