



Insurance **Insights** newsletter

Summer 2012



ODI
Ohio Department
of Insurance



Mary Taylor
Lt. Governor /
Director

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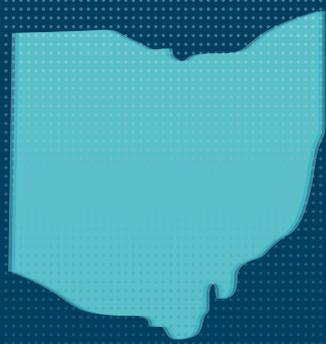
The R Street Institute, a national public policy research and educational institution, issued its 2012 Insurance Regulation Report Card and graded Ohio an "A+". It's the second consecutive year Ohio has earned such a high distinction.

"Our focus at the Ohio Department of Insurance is to maintain a predictable, stable and competitive marketplace that benefits Ohio insurance consumers. This emphasis has produced some of the lowest homeowners and auto insurance rates in the country," Ohio Lieutenant Governor and Department of Insurance Director Mary Taylor said. "We are very happy with Ohio's ranking in this year's study and we will continue to focus on consumer protection while ensuring common sense regulation of Ohio's insurance industry."

The study, available at <http://rstreet.org/policy-study/2012-insurance-regulation-report-card/>, analyzed the state-based U.S. insurance regulatory system, examining which states are doing the best job of regulating property and casualty insurance products - for example, homeowners and auto coverage - through limited, effective and efficient government. Ohio was one of three states to earn a superior grade and finished tied with the second-highest overall score.

The report card measures how well states are monitoring insurer solvency and policing fraud, how efficiently they are spending the insurance taxes and fees they collect, how competitive their home and auto insurance markets are, the degree to which they permit insurers to adjust rates and employ rating criteria as they see fit, and finally, the transparency and politicization of insurance regulation in the states.





Taylor Offers Insurance Tips for Small Business Owners Recovering from Recent Severe Weather

Ohio Lieutenant Governor and Department of Insurance Director Mary Taylor is sharing insurance advice with small business owners across Ohio to assist them in understanding their insurance coverage provisions as they recover from the recent severe weather that blanketed the state.

“The first step for business owners who suffered an interruption in service and damaged products and property is to get in touch with their insurance agent,” Taylor said. “They will be able to assist in sorting out the particulars of the policy and help you get back on your feet.”

Taylor added that if business owners incurred damage they should collect copies of receipts for equipment, furniture and other valuable items and photos of the property to share with their agent.

Taylor offered the following insurance information for small business owners impacted by recent severe weather:

- Property insurance typically covers for damage or theft of the physical property and equipment of the small business.
- If you own the physical structure of your business address, your property insurance should cover both the structure and its other assets.
- If you lease the space you occupy, you are likely responsible for insuring your personal property/contents. As a leaseholder, you should have a contingency plan in case your landlord or your landlord’s insurer is not able to promptly repair the building where your business is located.
- Business interruption insurance covers lost earnings due to circumstances stated in the policy – such as weather or fire – that shut down a business for an extended period.
- Certain events will trigger this insurance that generally covers expenses associated with running your business, such as payroll and utility bills, based on your company’s financial records.
- Benefits under this kind of coverage may not be payable for a certain number of days after the business interruption has occurred. Make sure you have sufficient funds to tide you over for that time.
- The insurance may also help pay for the extra expenses to keep your business in operation until you recover.





Taylor Urges Renters to Carefully Evaluate Need for Renters Insurance

Renters finding new places to live or resigning leases this spring and summer should not discount the importance of renters insurance, Ohio Lieutenant Governor and Insurance Director Mary Taylor said.

“Many renters are unaware they need to purchase renters insurance to protect their belongings,” Taylor said. “It is important that renters carefully evaluate their need for insurance. Replacing personal possessions without coverage can be quite costly.”

Renters insurance covers personal property, such as clothing and electronics, provides certain liability protection and can include other protections up to a dollar limit generally payable as a monthly premium or lump sum annual premium payment. The average renters insurance policy can cost between \$15 and \$30 per month. Yet many Ohioans do not have renters insurance. A 2011 Insurance Information Institute poll found that only 29 percent of renters had renters insurance.

Most landlords have insurance to financially protect them against structural damage to their property. However, this protection does not extend to a renters personal property.

Taylor advises renters to work with an insurance agent to determine the appropriate level of protection, to ask them for available discounts, and once coverage is secured, to conduct a home inventory complete with photos and video to expedite the insurance company’s handling of a potential claim. The insurance agent can also assist the renter in determining the need for and the additional cost of insuring for the perils of flood and earthquake, which are typically not covered in a renters policy.

To download a free home inventory checklist, for a list of licensed insurance agents in Ohio, and to ask questions and for information about renters insurance, Ohioans can visit www.insurance.ohio.gov and also call the Department’s consumer hotline at 1-800-686-1526.





Taylor Shares Insurance Claim Tips to Help Those Impacted by Severe Weather

Ohio Lieutenant Governor and Department of Insurance Director Mary Taylor advised Ohioans impacted by severe weather on how they should attend to damaged property and offered tips on the insurance claim filing process. Taylor also cautioned residents to beware of fraudulent contractors trying to take advantage of people in need of property repairs.

“We want to provide information to help those impacted understand the insurance claim filing process so they can get their lives back in order,” Taylor said. “Most homeowners and business insurance policies provide coverage for repairing damage caused by a windstorm, hail and tornado after the applicable deductibles are met and up to certain dollar amounts. Your agent or insurance company can help you understand the particulars of your policy while Department staff are available to help consumers experiencing problems with their claims.”

She added that protection for vehicles against damage caused by windstorm, hail and tornado is provided through an auto policy’s “other than collision” or “comprehensive” coverage. The Department has created a Severe Storm Recovery Toolkit under the Featured Links section on its website, www.insurance.ohio.gov. It includes claims filing tips, FAQs about windstorms and insurance, and tips on how to avoid a deceitful contractor.

Taylor said that if you have suffered damage from a storm, you should:

- Call your insurance agent or company as soon as you can. Be sure your agent knows how to contact you, especially if you have to move out of your home.
- Take reasonable steps to prevent additional damage if permitted by public safety authorities and if you will not endanger yourself.
- Closely inspect property and cars for damage. Note and photograph any damage.
- If required to seek temporary housing, check your policy for “loss of use” coverage.
- Be sure everything is considered in your claim. Back up claims with written estimates.

Taylor offers these tips to avoid becoming a victim of contractor fraud:

- Obtain a list of reputable contractors from your insurance carrier, the Better Business Bureau or a specialized consumer organization.
- Contact multiple contractors and obtain more than one estimate.
- Do not allow a contractor to inspect your property when you are not home. If you give a contractor permission to inspect your property, personally watch them conduct the inspection.
- Obtain, in writing, the terms and conditions of the project.
- Avoid signing a contract until the document is reviewed fully and/or discuss the terms of the contract with a legal representative or a trusted adviser.
- Pay the contractor by check or credit card, rather than in cash, and do not pay in full until all work has been finished.





Lightning Safety:

The Ohio Committee for Severe Weather Awareness coordinated with the National Weather Service for National Lightning Safety Awareness Week from June 24-30. They created some very helpful tips listed below to keep consumers safe from lightning, especially during the summer when there is more outdoor activity going on around Ohio.

Outdoor Lightning Safety Tips

- No place is safe when thunderstorms are in the area.
- If you hear thunder, lightning is close enough to strike you and you should immediately seek safe shelter.
- Stay in safe shelter at least 30 minutes after you hear the last boom of thunder.

Indoor Lightning Safety Tips

- Stay off of corded phones, computers and other electrical equipment that put you in direct contact with electricity.
- Avoid plumbing, including sinks, baths and faucets.
- Stay away from windows and doors, and stay off porches.
- Do not lie on concrete floors, and do not lean against concrete walls.

Last Resort Outdoor Lightning Safety Tips

No place outside is safe when lightning is in the area, but if you are caught outside with no safe shelter anywhere nearby, follow these tips.

- Immediately get off elevated areas, such as hills, mountain rangers or peaks.
- Never lie flat on the ground, use a tree as shelter or use a cliff or rocky overhang for shelter.
- Stay far away from bodies of water and objects that conduct electricity.

If Someone Is Struck

- Victims do not carry an electrical charge.
- Begin CPR or AED if needed and call 911.

Summertime Activities:

Taylor is encouraging Ohioans to review their insurance needs with their agent to make sure their coverage is adequate for summertime plans. Look below for tips and information regarding popular summertime vehicles and activities.

Motorcycles and Scooters

- If you carry seasonal coverage, check that your policy is up-to-date.
- Be sure you understand Ohio helmet laws.
- Some insurance companies might offer a discount for safety courses.

All-Terrain Vehicles (ATVs)

- ATVs are not covered by a homeowner's policy, but your homeowner's policy may partially cover your liability.
- Consider a separate ATV policy to make sure you are properly insured.
- Ask your agent about age restrictions, permitted drivers, discounts for taking safety courses and riding with a helmet.

Boats and Jet Skis

- Small boats could be covered by a homeowner's policy, but a boat of significant size will be excluded. Consider a separate policy that covers physical damage and the appropriate liability limits.
- Personal watercrafts, such as jet skis, will likely require separate coverage.
- Ask your agent about safety course discounts, permitted operators, and the liability of towing.

Pools and Trampolines

- Some companies may not insure your property if you have a trampoline or swimming pool so always check with your agent for rates and safety guidelines before making a purchase.
- An insurance company can cancel your policy if you do not notify them about a pool or trampoline.





Travel Insurance:

Summer is a prime time to take a long vacation and choosing the right type of travel insurance is just as important as choosing the vacation destination. Below is a bit of information about travel insurance to consider before packing up the car.

Trip Cancellation

This insurance protects against loss of non-refundable travel costs, such as airfare, hotel or tour expenses. If you're making a deposit on a cruise or have non-refundable airline tickets, this is coverage to consider.

Generally, most policies will cover the following situations:

- The cruise is canceled or the flight is delayed.
- You can't make the trip due to a car accident, jury duty or weather catastrophe.
- Situations at your intended destination, such as earthquakes, quarantines, terrorist activity, or general strikes are covered as well as failure by the airline, tourist operator, and cruise line.

Medical/Accidental Death

This coverage protects against loss due to medical emergencies, damage to personal property or death that occurs while traveling. It may also cover emergency or medical evacuation.

- When considering a medical or accidental death travel policy, ask about pre-existing conditions and age limits.
- If traveling out of the country, double check your health insurance plan with your insurance agent, company or employer before leaving because it may not be accepted outside of the U.S.A

Baggage/Rental Car Damage

Homeowner's or renter's insurance may cover baggage or personal property damage when you're traveling and your auto insurance may extend to a rental car. Be sure to double check with your insurance agent, company or employer prior to leaving.

Severe Weather:

The tips below will come in handy if any severe storms sweep through Ohio this summer. Taylor offers tips for dealing with the damage from a storm and how to avoid a fraudulent contractor.

Dealing With Post-Storm Damage

- Call your insurance agent or company as soon as you can. Be sure your agent knows how to contact you, especially if you have to move out of your home.
- Take reasonable steps to prevent additional damage if permitted by public safety authorities and if you will not endanger yourself.
- Closely inspect property and cars for damage. Note and photograph any damage.
- If required to seek temporary housing, check your policy for "loss of use" coverage.
- Be sure everything is considered in your claim. Back up claims with written estimates.

Avoid Contractor Fraud

- Obtain a list of reputable contractors from your insurance carrier, the Better Business Bureau or a specialized consumer organization.
- Contact multiple contractors and obtain more than one estimate.
- Do not allow a contractor to inspect your property when you are not home. If you give a contractor permission to inspect your property, personally watch them conduct the inspection.
- Obtain, in writing, the terms and conditions of the project.
- Avoid signing a contract until the document is reviewed fully and/or discuss the terms of the contract with a legal representative or a trusted adviser.
- Pay the contractor by check or credit card, rather than in cash, and do not pay in full until all work has been finished.

