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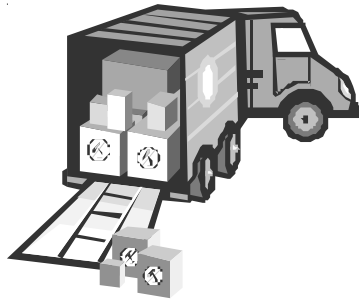
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Personal Lines News Fall & Winter 2009

Welcome Home, Kids!



As the poet Robert Frost put it, "Home is the place where, when you have to go there, they have to take you in." More and more adult children are taking comfort in this fact as they move in with their parents following various life events, including job loss, divorce, and college graduation. An estimated 14% of US family households had at least one adult living there as of 2005. The Russell Sage Foundation released a study in 2007 showing 34 percent of 18 to 34 year olds were living with their parents. When adult children move back in with their parents, they present some potential insurance issues for the parents that should be considered.

Auto insurance can depend from situation to situation. Please contact our office to find out more.

With regards to homeowners insurance, depending on the duration of the child's stay and varying other factors, the child may or may not be deemed to be an insured under the parent's policy. The status of being an insured is a very important one, as it determines if and where the child's liability and personal property is covered. To remove any potential ambiguity under the policy, Hausmann-Johnson strongly recommends that adult children who move back in with their parents obtain their own renters policy.

Contact a Personal Lines Account Manager if you have any questions or would like further information regarding any of our articles.

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Mandatory Auto Changes Effecting Every Auto Policy:

Included in the recently passed State of Wisconsin Budget Bill were several mandates for auto coverage. There are different effective dates, with the first one applying to policies that renew 11/01/2009. (Most personal lines carriers are making all changes effective 11/01/2009).

1. (UM) Uninsured Motorist / (UIM) Underinsured Motorist:
 - a. UM/UIM coverage is mandatory (may no longer be rejected)
 - b. Minimum limits 100,000 / 300,000 / or 300,000 (CSL) Combined Single Limit
2. Medical Payments:

Insured may reject coverage; but, if accepted, must be \$10,000 minimum limit
3. Umbrella:
 - a. Carriers must provide written offers of UM and/or UIM
 - b. Insured may reject UM and/or UIM coverage

Other changes effective at later dates are:

Jan. 1, 2010:

Auto Minimum Liability limits of \$50,000/100,000/15,000 or Combined Single Limit of \$100,000

June 1, 2010:

Mandatory Auto Insurance – all drivers must have insurance and be able to show proof of coverage while in the vehicle

Protecting Your Outdoor Hot Tub or Spa

Dating back to the Roman empire, warm pools of water have been a great way to relax and relieve stress. Today, hot tubs and spas can be found in several homes, often outside, on the deck or porch, and can cost thousands of dollars. Protecting these large investments can be some what tricky. Different insurance carriers view hot tubs and spas differently, based on their location, integration with the home and size, among other factors. These differences can be crucial in how an insurance carrier handles a loss. The primary concern in Wisconsin is coverage for the peril of freezing. Under some policies there may be very little or no coverage for the hot tub or spa. With some other carriers, hot tubs and spas are covered as large scale home appliances, and other carriers determine hot tubs and spas are part of the home.

If you own a hot tub, please contact Hausmann-Johnson so we can determine if your policy has coverage for hot tubs or spas. We will also need to determine if you have enough coverage for your hot tub or spa.

Insuring your Home-based Business

All across America, people operate small, home-based businesses. These businesses can provide a supplemental or primary income for one or more of the household members. More than 60% of home-based businesses are underinsured, according to the Independent Agents and Brokers of America. One of the most common reasons for being uninsured is that home-based business owners thought they were covered by another policy, but were not. The traditional homeowner's policy provides very limited coverage for business activities and some insurance carriers will cancel policies if they know that a person is running a business from the home, or they may limit coverage in the event of a loss.

Some carriers that Hausmann-Johnson represents offer endorsements to provide coverage for home-based businesses. These endorsements can be inexpensive to add to a homeowner's policy, with average policy premiums of about \$100. Please contact Hausmann-Johnson if you operate a business out of your home to discuss if the proper coverage is in place. Even acting as a consultant or an Avon sales representative can be deemed as operating a home-based business.

How Much Life Insurance Do I Need?

Some financial planners recommend purchasing life insurance in an amount *up to* eight times a wage earner's annual income. However, this multiplier factor will vary based on each individual's current and future financial obligations to their loved ones. Below are some important factors to include when assessing possible future financial obligations that may follow an individual's death:

- ▶ To pay for funeral and medical expenses, estate taxes and legal fees.
- ▶ To retire personal debts, like a mortgage, credit cards and vehicle loans.
- ▶ To provide for lost income to maintain a standard of living for a spouse or children.
- ▶ Generate cash for future financial obligations, like college educations and weddings for children.

If it has been a while since your life insurance needs have been reviewed, do not wait any longer. Life insurance premiums have never been lower. Call to make an appointment with Rob Squires at 608-252-9659. Also, make the same recommendation to any recently married children and elderly parents engaged in estate planning. As an independent insurance agency, we have the financial planning resources available to meet every customer's life insurance and estate planning needs.

The Difference Between Market Value and Replacement Cost

As the real estate market continues to be down, many insureds are becoming concerned that they may be over insuring their home based on market value. Market values of homes can be impacted by many things, sometimes with absolutely nothing to do with construction prices, such as the quality of local schools, view of the property and proximity to major roads.

Insurance policies are concerned with the replacement value of the home, or the cost to rebuild the home with like kind and quality materials. On average, construction prices have increased nearly 4% in the last year. Another important factor to keep in mind is that rebuilding a home can be as much as 30% higher than building a new one, according to Marshall & Swift, an authority on building-cost data. Reconstruction costs are greater because the process usually involves the demolition and removal of damaged property, as well as on-site mobility limitations caused by the need to work around existing landscaping, power lines and other buildings.

Homeowners insurance is in place to financially protect your family's well being, should something go wrong. Maintaining the correct value is extremely important in protecting your family's wealth. Contact our office if you would like to review your current coverage amount.

Prevent Water Damage Through Good Home Maintenance

Taking steps to eliminate potential homeowners claims is an effective way to reduce insurance premiums. One of the more frequent losses a typical homeowner incurs is water damage. Here are a few basic recommendations that may help prevent leaks and water intrusion. At the heart of our recommendations is the need to regularly inspect your home. Here are some tips:

- If you have an older home, check the attic to see if it has adequate insulation. Poor insulation can lead to ice damming and roof leaks.
- Inspect sump pumps to be certain they work properly. A battery backup system is recommended. The sump pump should discharge the water as far away from the foundation as possible.
- Check drain pans on air conditioners to be certain they drain freely and are adequately sloped .
- Keep trees trimmed so that branches are at least 7 feet away from any exterior home surface and vines kept off all exterior walls. Either could open cracks in siding, allowing moisture or insects to enter.
- Inspect and adjust the spray pattern of the irrigation heads to minimize the water sprayed directly onto exterior walls.
- If water intrusion does occur, one can minimize the damage by addressing the problem quickly and thoroughly. Fast action can help minimize the time and expense for repairs, resulting in faster recovery.

Disclosure:

The information, suggestions, and techniques contained in this newsletter are offered as informational items only, and the agency makes no warranty of any kind, expressed or implied, as to the accuracy of the information or its fitness for a particular purpose.



Meet the Hausmann-Johnson Personal Lines Service Team:

Kelley Ruplinger: Kelley attended UW-Stevens Point where she studied Music and Business. She started in the insurance field in 2000 as a Personal Insurance Customer Service Representative at a call center. In 2003 Kelley joined the Hausmann-Johnson Insurance Personal Lines team as an Account Manager. While working at Hausmann-Johnson, she earned her Certified Insurance Service Representative designation. She is now working towards the Certified Insurance Counselor designation.

Amy Miller: Amy joined the Hausmann-Johnson team in 2007 as a Personal Lines Account Manager and is currently working toward her Certified Insurance Service Representative designation. Amy's insurance background includes experience in Personal, Commercial, and Claims in both insurance and agency settings.

Kristine Branton: Kristine attended Madison Area Technical College focusing on general studies. She joined Hausmann-Johnson in February of 2006. Kristine has earned the Certified Insurance Service Representative designation and the Certificate in General Insurance designation. She is now pursuing her Certified Insurance Counselor designation.

Ross Squires: Ross attended UW-Madison and graduated with a degree in Risk Management and Insurance. Ross has his Certified Insurance Counselor designation and is currently working towards his Certified Risk Manager designation. Prior to joining the Personal Lines department, Ross worked with Hausmann-Johnson's Select Commercial department and at a local insurance carrier.

Ross serves as the manager of the Personal Lines Department and focuses primarily on new sales.



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