

## NEWS BLAST



### Dog Bites

## Insuring the Most Common Homeowner's Claim

**T**HERE ARE more than 64 million dogs in the U.S. and while they make for great companions and keep our homes safe from intruders, they can also be a significant liability.

About 4.5 million people suffer dog bites every year, according to the Centers for Disease Control and Prevention. Of that number, about 885,000 need medical care.

Dog bites and other dog-related injuries accounted for more than one-third of all homeowner's insurance liability claim dollars paid out in 2014, costing more than \$530 million, according to the Insurance Information Institute.

The average cost paid out for dog bite claims nationwide was \$32,072 in 2014, compared with \$27,862 in 2013. The average cost per claim nationally rose more than 67% from 2003 to 2014, due to increased medical costs as well as the size of settle-

ments, judgments and jury awards given to plaintiffs, which are still on the upswing.

Most standard homeowner's insurance policies include dog bite liability coverage. Maximum coverage typically ranges from \$100,000 to \$300,000 in most homeowner's policies. You can get additional coverage if you purchase an umbrella policy.

An insurance company usually won't decline to write a policy for a homeowner with a dog, but if you file a claim, the insurer may choose to raise your rates, non-renew your policy or exclude the dog from the policy upon renewal.

In the event that your dog does bite someone, the insurance company can raise your homeowners insurance rates or even move to exclude the dog from being covered in your standard policy.

Some insurers will exclude certain breeds from coverage altogether, such as rottweilers, German shepherds and pit bulls.

If the claim exceeds the limit, the dog owner is responsible for all damages above that amount.

Some companies require dog owners to sign liability waivers for dog bites, while others charge more for owners of certain breeds such as pit bulls and Rottweilers and others are not offering insurance to dog owners at all. ❖

### DOG BITE LIABILITY



California is a statutory strict liability state and with only a few exceptions is an owner not liable for a dog bite.

There are exceptions, like if the victim was:

- Trespassing,
- Provoking the dog,
- Injured by his employer's dog while on the job, or
- Performing a paid service involving the dog.

California's dog bite law states that the owner of any dog is liable for damages if:

- The damages were caused by a dog bite, and
- The person bitten was in a public place or lawfully in a private place.



### CONTACT US >>>

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## Unusual Risk

# Insuring Your Collectibles the Right Way

**M**any of us have stuff we've collected and consider treasures, from old train sets and coins to rare photos and books. Sometimes these collections can be quite valuable and it would be a tremendous loss if they were stolen or damaged in a fire.

But your homeowner's insurance would only cover these collectibles up to a limited degree.

Besides the structure of your house, your homeowner's coverage is designed to cover personal property like clothing, electronics, furniture and appliances.

But, most homeowner's policies put specific limits on collectibles, memorabilia and other high-end items of value. If you do have a collection of some type, or other unique items, you may want to consider a collectibles insurance policy.

Collectibles insurance is similar to the home insurance riders that provide extra coverage for jewelry, art and other valuables. Plus, the policies take into account the special risks to collectibles, such as damage to a baseball card collection due to humidity or other environmental factors.

The insurance covers a range of events including burglary, theft, fire, flood, breakage and natural disasters. Coverage is also provided for loss or damage that happens during shipping, personal transit and exhibition.

And unlike home insurance, collectibles insurance often doesn't require you to pay a deductible when you make a claim, though you can opt for a deductible to save on coverage for pricier items.

### What scenarios will it cover?

What if the shelves that house your collection of Lionel trains collapse, leaving the antique engines and cars broken in pieces, dented and scratched? Your home insurance covers perils such as fire, wind and lightning – but not a collapsing bookshelf.

In a case like this your collectibles insurance policy would cover accidental breakage. That's because these policies cover a wider range of risks to your insured items than a typical homeowner's policy will.

### Before you buy insurance

If you decide that you need collectibles insurance, the first step is to assess the value of your collection.

That's not easy when many collectibles increase in value – some slowly and some quickly, while some change value in spurts.

If you are an avid collector, you likely will know the value of your merchandise based on clubs you belong to, through eBay listings, auction house sales, specialty magazines and dealers.

Also, appraisers can evaluate collections, but they are not easy to find in many areas. And the more unique an item is, the harder it is to put a dollar value on.

If you have some collectibles and don't know the value, you will need to scour sales and the Internet to determine an item's value. But you will need to find collectibles similar to yours. And just because something is very old doesn't mean it's valuable.

The best way to ensure you are securing the right amount of insurance coverage is to keep detailed records and do your homework.

This will be important if you ever do have to file a claim, which will be based on the replacement value at the time of the loss.

This accounts for appreciation in value from the time in which specific items were first purchased or acquired and is the fundamental difference between a homeowner's policy and collectibles insurance. ❖



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## Covering Your Belongings

# Renter's Insurance, For Affordable Peace of Mind



**M**ORE THAN two-thirds of American renters are uninsured for fire, natural disaster and burglary.

Why do so many people take this unnecessary risk? Some may think that their landlord's insurance will cover any claims, or they think that only houses are broken into – and not apartments.

But the fact is that more apartments are broken into than homes, and apartments also burn. Worse yet, if a fire starts in one unit it will often affect nearby flats, as well. A careless neighbor could be the cause of your next burnt hallway.

But if you're still on the fence, you should consider the following:

**Your landlord's insurance won't cover you.** While your landlord's insurance policies cover the building and any unattached property they have stored there, that coverage does not extend to a tenant's belongings.

If your things are stolen or destroyed by a fire or a storm, you'll have to replace them yourself. Additionally, you'll be footing the bill for any temporary living expenses you may rack up if your apartment is uninhabitable for a period of time.

**You may think your stuff is worthless, but you're probably wrong.** If you look around, you'll find that you do have things of value. Your computer, tablet, mp3 player, clothing, furniture, a DVD collection, to name a few.

Most people have thousands of dollars of belongings and if a fire rages through their apartment, it's all gone. And there's an added bonus with renter's insurance, in that it comes with liability protection against lawsuits by visitors who are injured when in your apartment.

**Renter's insurance is affordable.** Depending on the amount of coverage you purchase, premiums can be as low as a few hundred dollars a year, or less than \$20 a month. Give us a call and we can take you through the steps of determining how much coverage you may need.

### We'll walk you through it

Understanding most insurance products does take a little time, but it's always easier with the help of a professional insurance agent. We can walk you through the process of how to decide what type of policy is right for you, such as:

- Explaining the differences between actual cost and replacement cost.
- Helping you decide which deductible is right for your budget.
- Explaining policy add-ons such as floaters to cover valuables above the coverage limits of a standard policy available to you.

We can provide you with quotes from a number of insurers, and may even be able to get you a discount. ❖

## Actual vs. Replacement Value

If you have expensive items like electronics that are subject to depreciation, you should consider replacement cost coverage. With this type of policy, you would be reimbursed for the current cost of buying a new equivalent item.

This way, if you spent \$2,000 on a computer three years ago, you would receive a check from the insurance company that would enable you to buy a new computer.

However, if you had an "actual value" policy, the computer would be valued not at what you paid for it originally or what it would cost to replace it, but at its actual value as a used item. So a three-year-old computer would be covered for its initial cost minus depreciation.

Of course, replacement cost coverage is more expensive.

It's up to you to decide which type of coverage – actual value or replacement cost – best fits your needs and budget.

## Homeowner's Insurance

# Does Your Policy Cover Cyber-Bullying?

IT'S COMMONPLACE today to hear about bullying, particularly as the social network expands and permeates most of our lives. Young children and teens are bullied at school, and often even online on websites such as Facebook. Some of the bullying has tragically led to some of them committing suicide.

But what's been getting more attention of late is the trend of cyber-bullying, where acquaintances bad-mouth someone on Facebook, Snapchat or another social media app. This type of bullying has been attributed to at least two suicides in the past few years.

In one case, a 15-year-old girl was harassed mercilessly on Facebook by two students at her school. They posted unflattering pictures of her and disparaged her. Other kids joined in by posting comments on threads, some of them threatening to "kick her butt."

The incident swirled through the media to such a degree that the bully's father, upon learning about his daughter's behavior, apologized publicly.

### The risk to you

The logical next step in the YouTube case is likely a lawsuit filed by the victim against the assailant and her family and, if they are homeowners, they would try to seek coverage for the lawsuit under their homeowner's policy.

But that would be difficult.

First, the personal liability and medical payments sections of homeowner's policies include coverage for bodily injury caused by an occurrence. In this case, the injury was obviously not physical.

Second, for the claim to be covered, it cannot be an intentional act, and it would be hard to argue that the bully did not intend to harass the victim and even egg on others who commented on the posts.

And the exclusions of most homeowner's policies include a section that voids coverage for bodily injury that is expected or intended from "an" insured – not "the" insured. Courts often have interpreted exclusions for acts of an insured to preclude coverage for any insured.

Third, if the parents of the teen bully are sued for the mental and physical injuries they inflicted, their homeowner's policy likely would not be triggered for any family members because of the breadth of the "an" insured wording.

A victim's family may sue for a number of claims, including defamation, invasion of privacy, disclosure of private information, intentional infliction of emotional distress and negligent supervision. Again the "intentional conduct" exclusion would mostly preclude them. However, there is a gray area: negligent supervision.

Depending on the policy language and where the case is filed, a policy may cover negligent supervision. It could be argued that while the ultimate injury was caused by an intentional act, the conduct causing or leading up to that injury – the parents' negligent supervision – was not intentional and, therefore, the insurance policy should provide coverage for that cause of action.

But some courts have ruled that the negligent act cannot be separated from the intentional act, and hence both acts are excluded from coverage.

Meanwhile, some insurers are adding exclusions in the face of increased cyber-bullying. More insurers are also including new exclusions in their homeowner's and umbrella policies for electronic aggression. The exclusion precludes coverage for bodily injury, personal injury or property damage arising out of electronic aggression.

The American Association of Insurance Services has stated the reasons electronic aggression can now be included in exclusions:

- Bullying and harassment are conscious acts, hence any resulting damages are not accidental.
- Due to the fact that the trend is so recent, there is no loss history, making it difficult for insurance companies to price the coverage properly.
- Settlements in cyber-bullying claims are likely to be complicated and contingent upon future court decisions, which may widely differ depending on the case and the jurisdiction.

At this juncture, the likelihood is that your homeowner's insurance carrier would not cover cyber-bullying claims. ❖

