

## NEWS BLAST



### Automobile Safety

## Medical Marijuana, Recreational Pot Laws and Driving

**W**ITH MORE states moving to legalize marijuana through ballot measures, and even more having medicinal marijuana laws on the books, many people may be confused about the legality of driving after using pot.

While all states have laws prohibiting driving under the influence of alcohol or drugs, many people who live in states with medical marijuana laws think it's okay to get behind the wheel after using pot.

But the truth is that no state that has legalized recreational marijuana use or medical marijuana permit people to drive under the influence. Just as alcohol is legal but driving drunk or with an open container is not, the same holds true for marijuana in states where it is legal – or at least legal for medicinal use.

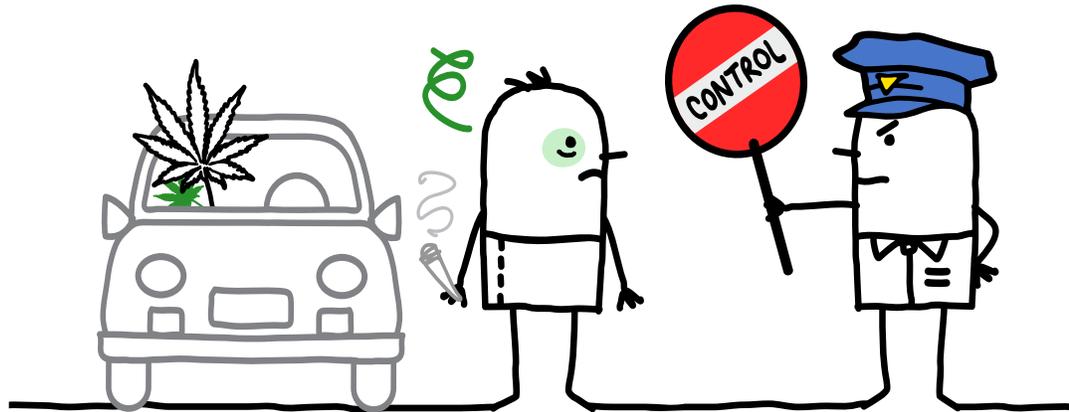
Remember, penalties for DUI convictions are steep and will end up costing you years down the line in the form of higher insurance costs. Not to mention, in some occupations where you need to drive, you can lose your job.

### Medical marijuana patients

Marijuana is easy to detect in the bloodstream, but the problem is that it stays in the system for up to a month after use.

And side effects vary from person to person, and between different strains of marijuana.

In some states, it is a defense to DUI charges to show that the driver was entitled to use a prescription medication while driving, but marijuana is always excluded from this exception.



Because of the lack of ability to define “legal limit” with marijuana and guidelines as to what level of THC (tetrahydrocannabinol) in the bloodstream leads to impairment, most convictions are based on using police observations of “intoxication” and some type of test.

If a police officer suspects a person is under the influence of marijuana, they would likely first perform a field sobriety test, similar to the one that's administered to drunk-driving suspects.

For individuals suspected of being under the influence, the next step would be a blood, breath or urine test to determine whether they are under the influence.

Using blood, breath or urine tests to determine whether a person is under the influence of pot is a flawed system, as blood and urine tests are unable to determine whether marijuana was consumed within the last few hours or days or weeks before.

The standard for police is observing behavior and then backing it up with a test, says Sacramento DUI defense attorney John Campanella.

### What you should do

Campanella advises against taking any form of marijuana altogether for three or more hours before driving. But, again, even if a few hours have passed, each person needs to make the final decision that they do not feel “high” before driving.

That's because some marijuana strains are stronger than others and people react differently to the drug. ❖

### CONTACT US >>>

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### Placer Insurance Agency

5 Sierra Gate Plaza, Second Floor  
Roseville, California 95678

Phone: (916) 784-1008

Toll Free: (800) 642-5037

E-mail: [newsletter@placerins.com](mailto:newsletter@placerins.com)

License No.: 0C66701

## High-value Homes

# As Home Value Rises, So Does Coverage Complexity



**T**HE MORE your home is worth, the trickier it is to make sure that it and all of its contents are covered properly and that you are not paying too much for your premium.

First off, a typical homeowner's insurance policy may not be suitable for your home.

If you have a high-value estate with expensive furnishings, décor and collectibles, you will likely need specialized insurance to cover your property and assets for damage or loss.

Also, you may sometimes need multiple policies to make sure that all facets of the home – structure and contents – are insured to a level that you are comfortable with.

### What's a high-value home?

Most insurance companies will consider an estate worth more than \$750,000 a candidate for high-value home insurance. For others, it's \$1 million or more.

What's considered high-value will vary depending on the insurance company and the region in which you live. It pays to work with us to find the right policy choices for your home.

### The coverage

High-value home coverage essentially goes beyond what a typical homeowner's policy will cover.

These policies include broader coverage and higher limits than normal homeowner's insurance. They are designed specifically for homes that are worth millions of dollars and typically contain state-of-the-art media equipment and technology, costly appointments and furnishings, extensive collections of art and many other luxurious items of great value.

### Coverage options

High-value home insurance companies will often work with you to tailor your policy to your needs. With this bespoke approach, you can add certain coverages that would not normally be available on a typical homeowner's policy, such as:

- **Guaranteed full replacement cost** – Most standard homeowner's policies don't guarantee full repair or replacement in the event of a major loss. High-

value home insurance typically covers these costs. If after a total loss the insured doesn't want to rebuild the home, a standard policy would not pay out. But many high-value home policies give the equivalent of the replacement cost in cash.

- **Excess liability and umbrella liability coverage** – If you are a high-net-worth individual and find yourself involved in an accident that results in an injury to a third party, you could be in for an expensive lawsuit. Having excess liability insurance will provide full coverage for lawsuits, including hiring the best possible attorneys and paying any settlements or restitution that a court may order.
- **Flood insurance** – Traditional homeowner's insurance policies do not provide coverage for flood damage. For the most part, homeowners have to buy this coverage from the National Flood Insurance Program. But a high-value homeowner's policy will often include flood insurance, as well as coverage for sewer backups.
- **Living expenses coverage** – Most high-value home policies provide generous, if not essentially unlimited, coverage for living expenses.
- **Coverage for vacation homes** – Many insurers will allow you to include coverage for other structures, including pool houses and vacation homes. By combining this coverage into one policy, you can save money while maintaining the full coverage you need.

### Keeping your policy up to date

It is expensive to cover theft or loss in a high-value home, for example, because the items in these properties are typically more costly.

Being in a gated community and/or having a security system in place at your home can significantly reduce risks, and insurance companies will often discount your premium based on this. Keep them up to date on any such changes.

When you make any upgrades to your home, you may want to update your policy by having a new insurance appraisal.

You should also keep track of all your new purchases in terms of furnishings and technology. ❖

**Moonlighting Risk**

# Want to Drive for Uber? Better Check Your Coverage

**T**O MAKE ends meet, or to build up their nest eggs, many people have turned to moonlighting as Uber or Lyft drivers.

However, if you are planning to make some spending money, you need to understand that doing so could invalidate your personal auto policy.

Uber and Lyft are so-called “ride-hailing” mobile apps that connect passengers to drivers. With the phone app, passengers can hail a driver to their exact location, track the driver using their phone’s GPS and pay for the ride with a credit card. Drivers keep the app on when they are waiting for customers or driving to fetch a passenger.

There are typically two levels of insurance involved in these ride-hailing arrangements. The driver carries their own vehicular insurance, while the ride-hailing company also has its own liability policy in place. Here’s what you need to know:

**Your policy bans commercial driving**

Your personal auto insurance policy may not provide coverage if you are involved in an accident while driving for Uber.

Personal auto policies have an exclusion for “driving-for-hire” – or commercial driving.

This exclusion means that a driver’s standard personal auto insurance would not likely cover them while the ride-hailing application is turned on, regardless of if they haven’t accepted a ride request and have no passengers in the vehicle.

Check your policy or call us and we can find out the extent of any exclusions in your coverage.

**The coverage gap**

Some states require ride-hailing companies to carry at least \$1 million per incident excess liability coverage. The policies are designed to deal with liability claims that a driver’s insurance doesn’t cover.

Ride-hailing companies’ insurance only covers third parties (injuries to others that an Uber or Lyft driver may hit and any property damage the third party sustained).

However, physical damage to your car or injuries you sustain would

have to be borne by you if you only have a personal auto policy, since the ride-hailing company’s policy would not cover you.

There is another risk in the coverage gap: The ride-hailing operator’s insurance policy will not cover you if you are hit by an insured driver. Again, you would have to pay for that out of pocket if all you have is a personal auto policy. ❖

**How the insurance works**

- When the Uber app is off, you are covered by your own personal policy.
- When you have the app turned on, a low level of liability insurance becomes active.
- When a trip is accepted, a higher level of coverage takes effect and remains active until the passenger exits the vehicle.

**Tip: Questions to ask Uber\***

- How much liability insurance does Uber provide while I’m transporting a passenger? Do I need more?
- Will I be charged a deductible and, if so, what is it?
- Is the commercial liability insurance coverage my main source of coverage, or is it contingent on denial by my personal auto policy?
- How do I report a claim?
- At what times am I covered by Uber’s policy?

\* Source: The National Association of Insurance Commissioners

**What you can do**

Insurers have responded to the ride-hailing trend.

There are two ways you can go to ensure coverage for yourself and your vehicle:

1. Buy a commercial auto policy that is valid at all times.
2. Buy a policy that specifically covers you and your vehicle when the ride-hailing app is on.

**Ask us about your options!**



**Life Insurance**

# Determining if Permanent Life Is Right for You

**U**NFORTUNATELY, FAR too many Americans fail to prepare for their eventual demise and it's their families that pay the price.

In fact, according to the Life Insurance and Market Research Association, while 85% of consumers agree that they need life insurance, only 62% have purchased a policy.

But buying life insurance can be complicated since there are so many different products – all of them with unique benefits that you need to know about before making a decision.

Permanent life insurance policies include:

- Whole life
- Universal life
- Index-universal life
- Variable life
- Variable-universal life

While each type of policy differs in its details, all provide a death benefit plus cash savings. This makes permanent life insurance an attractive investment for many people, but it's not for everyone.

Before buying a permanent life insurance product, you should consider the following:



## Permanent life may be more than you need

If you are single, have no kids or have grown children, you may not want to purchase permanent life and instead consider a term life insurance policy. These policies provide death benefits for a certain number of years and the premium is a lot less.

But, if you are married and have children, and if you have a lot of debt, you may be better off with a permanent life policy. That way, if you should pass away, your dependents would not only receive the death benefits, but also the cash value of the investment portion of your policy.

## It's limited as an investment vehicle

The investment options in most permanent life policies are not as extensive and high-yielding as other investment products. If you want a higher return, you may want to consider buying a term life insurance policy and using the money you save to invest in other investment vehicles.

For example, a \$1 million permanent life insurance policy might cost \$13,900 a year, while a \$1 million 20-year term life insurance policy costs \$750.

If you invested the \$13,150 difference the first year at 5% and let it grow for 20 years, you'd have \$34,492. If you did the same every year, you'd have significantly more.

## It's a good investment in the right situation

Your heirs won't pay taxes on the cash value of your permanent life insurance policy until after your death.

Permanent life insurance can be a useful investment for individuals with high earnings who have maxed out their other tax-deferred savings options.

Additionally, permanent life insurance can be useful for older individuals who don't have much in the way of savings but want to leave a monetary inheritance to their loved ones.

Whether you prefer whole life insurance (with a fixed premium), universal life insurance (with adjustable premiums) or variable life insurance (allowing you to choose how the cash value is invested), talk to us about protecting your family from the inevitable today. ❖

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