

# Personal Connections



## Should You Carry Auto and Health Medical Coverage?

**Q**uestion: If you have health insurance, should you purchase medical payments coverage on your automobile insurance policy?

Answer: Yes. Many people choose to forgo medical payments coverage for the reason that medical bills sustained in a car accident are paid by health insurance. This may be true in many cases, but there are a number of reasons why medical payments coverage is important even if you have health insurance.

First, medical payments coverage offers added protection for you if any member is injured in an auto accident. Many health insurance policies contain a large deductible. Medical payments coverage is usually payable without the application of a deductible.

Second, medical payments coverage can be extended to your family if injured in an auto accident. If covered by your health insurance policy, an injury to a family member may still require the payment of a deductible. Medical payments coverage is especially valuable if you have family members living with you who are not covered by a health insurance policy.

Finally, medical payments coverage can extend to your passengers even if they are not family members. This coverage pays regardless of fault, so injuries can be quickly addressed without dragging out the process of determining who is at fault and for how much. Additionally, your health insurance is designed to cover you and, if applicable, your family. It will not cover non-family members.

For more information on medical payments coverage for your automobile insurance policy, call our service team today.

### In This Issue:

- Personal Articles Floater
- Disability Insurance
- Insuring Rental Property

## Personal Articles Floater

Many people know that valuable items like jewelry and art collections are usually insured separately from other property typically covered under a standard home insurance policy. But did you know that separate policies for specific items such as these, often called a personal articles floater, are not just for expensive items?

A personal articles floater is designed to extend better insurance coverage for items that need to be scheduled separately to avoid running into a predetermined sub-limit on a home insurance policy. In addition to jewelry and fine arts, the floater can also cover unique items such as a stamp or coin collection or model railroad. Portable property, such as cameras and video equipment, may be scheduled along with fragile or hard-to-find articles like statuary, sports memorabilia or vintage wine.

In addition to restrictive sub-limits, most home insurance policies limit personal property coverage to a named-peril basis, meaning—if the cause of the loss to property is not specifically listed in the policy—there is no coverage. In contrast, most personal articles floaters are designed to protect your property on an “open-perils” basis, meaning all losses are covered unless specifically excluded.

For example, if you lose a ring in the lake while boating, most home insurance policies will not pay to replace it because there is no peril listed to provide coverage. If the ring were insured on a personal articles floater, the loss would be covered unless the policy specifically describes that event as one that eliminates coverage.

For more information on a personal articles floater for your property, call our service team today.



## Disability Insurance

According to a recent survey from the non-profit LIFE Foundation, 27% of American workers say they would have trouble supporting themselves financially immediately following a disability that keeps them out of work. Just about half say they would reach that point if disabled a month or less, and 74% say they would reach that point within six months.



The survey also found that, while concern exists, only 17% of workers worry about the financial threat of becoming disabled and being unable to work. This number is much lower than other concerns expressed (“not being able to keep up with bills”—55%, “losing money in investments and savings”—34%, “being laid off”—20%).

“Many working Americans are not as concerned about the risk of a disability as they should be. What they don’t know is that they stand a one-in-three chance of becoming ill or hurt and being out of work at least 90 days at some point in their career,” says Marvin H. Feldman, president and CEO of the LIFE Foundation. “Without disability insurance, most people would face devastating financial consequences if they were to suffer a disabling injury or illness.”

There are many options for disability insurance from policies that cover just the gap in time until Social Security kicks in to coverage for long-term disabilities. For information on obtaining coverage that will protect you and your family from lost income resulting from illness or injury, call our service team today.

## Insuring Rental Property

Are you considering converting your residence into an income-producing rental property? Doing so may be a lucrative enterprise, according to Christine Karpinski, author of the book *How to Rent Vacation Properties by Owner*, who says the average vacation rental brings in about \$30,000 a year!

If the lure of additional income has you considering placing your home or condo up for rent, be sure to give our service team a call. A property held for rent, whether full- or part-time, poses unique risk and requires special attention from your insurance company. Many standard home insurance policies will not cover residences that are used to generate rental income. Others may include amendments that significantly reduce or eliminate coverage while the home is rented.

Is owning and managing rental property right for you? When considering the many important factors that answer this question, don’t let “rental property insurance” slip through the cracks! Give our service team a call. We can help you determine the cost of adequately insuring your property as a rental.