



Insurance Services

John C. Heinsz, CIC

William B. Schaefer, CIC

Paul J. Garwitz

100 SOUTH MAIN ST. P.O. BOX 190
ST. CHARLES, MISSOURI 63302-0190

PHONE: (636) 946-2266 FAX: (636) 946-7256 WWW.HSGR.COM

Associates:
Douglas A. White
Ryan V. Garwitz



All Personal Lines Policies Are Not the Same

Steve Zabriskie, CPCU, ChFC, CLU



They can say it over and over and over, but it still ain't true!

All **Auto** and **Home** insurance policies are **NOT ALIKE**. Discounted, direct-marketed insurance policies often have coverage gaps or lack coverage, but consumers have been led to believe insurance is a commodity and all policies are the same!

Here are some *important exclusions or limitations* found in popular policies being sold that you won't find in the standard ISO auto policy. A broader coverage form can provide for unexpected losses for which you might expect to have coverage. This article is necessarily brief and general; for a complete description of coverages, the policy form must be consulted.

Car Insurance

1. **Undisclosed household residents are excluded.** It is not uncommon for households to have an adult child move back in for a period of time. You should notify the Company about every driver, but what if you haven't yet ... are they covered?
2. **Business use of any auto is excluded.** Do any employees ever run to the post office in their personal car with the company mail or pick up lunch for the office? Are they covered?
3. **Use of any non-owned auto is excluded.** Ever take a turn driving someone's car on a road trip?
4. **Vehicles over 10,000 pounds in Gross Vehicle Weight are excluded.** Renting a U-Haul or RV could be a big problem.
5. **Any type of delivery is excluded.** Mary Kay cosmetics, Thirty-One bags or Avon in a personal car could be a problem with the wrong insurance policy.
6. **Permissive users only get minimum limits.** This can apply to anyone borrowing your car.

7. **"Street racing" is excluded.** This happens way too often, and coverage can be denied based on what the company claims the driver might have been thinking at the time of the crash. The ISO policy excludes racing "inside a facility designed for racing."

8. **Criminal acts are excluded or limits reduced to statutory minimums.** DUIs or even major speeding tickets may preclude coverage.

9. **Medical payments include only licensed physician fees.** A "life flight" helicopter ride may be necessary and not covered.

10. **Theft without evidence of forced entry is excluded.** One insured had his car stolen when he accidentally left his keys in the car. No coverage!

11. **Sales tax is not covered under loss settlement.** A 6% sales tax on a \$25,000 car is \$1,500. Pay it yourself ... ouch!

Homeowners Insurance

A basic homeowners policy may not have all the coverages a policyholder needs or wants. It takes an insurance professional with a quality company backing him to be sure you have the best coverage for your needs.

1. **Guaranteed Home Replacement Cost, or increased cost endorsement.** What if inflated costs due to disaster demand surge protection or new wiring? Or, simply the miscalculation of the home value results in not enough coverage to rebuild?

2. **Watercraft liability exclusion.** What do you mean I don't have coverage for a boat I rented or borrowed?

3. **Other structures excluded.** What, my utility shed and its contents aren't covered?

4. **Water Back-up of Sewers or Drains coverage not available.** Would you be covered if your drain backs up in the basement?

5. **Debris removal, mortgage extra expense, refrigerated products spoilage.** It's expensive to find out after a claim that your cut-rate policy has no coverage.

6. **Incidental farm or business in the home exclusion.**

Auto and Home insurance is not a commodity. All policies are not alike, and all customers' needs are not alike. A quality company, with quality coverages, and an independent, knowledgeable agent to fit the coverages to the customer is essential to protecting people properly.