

# Personal Lines



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Safety

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## Staying Warm... And Safe

Many of us use supplemental heaters, or space heaters, to heat an ordinarily unoccupied space such as garage or workshop, to provide additional heat during cold spells or to minimize heating bills. However, incorrect use of these heaters leads to about 120,000 residential fires annually. With colder weather on the way, use the following checklist to ensure safe use of space heaters.



### Wood Stoves

You should be able to respond “yes” to the following safety statements:

- 1 The wood stove or fireplace has been installed according to building codes and manufacturer’s instructions.  
 Yes  No
- 2 The chimney and stovepipe are checked frequently during the heating season for creosote buildup and are cleaned when necessary. *If you use your wood stove regularly, check it at least twice monthly and have it inspected and cleaned by a professional chimney sweep at least once a year.*  
 Yes  No
- 3 The stove sits on a non-combustible or on a code-specified or listed floor protector.  
 Yes  No
- 4 Combustibles such as curtains, chairs, firewood, etc., are at least three feet away from the stove.  
 Yes  No
- 5 Only proper fuel is used in the stove. Never burn trash,

which can overheat the stove. *Never use gasoline or flammable liquids to start a fire, as they can explode.*  
 Yes  No

- 6 A metal container with a tight-fitting lid is used for ash removal.  
 Yes  No

### Kerosene Heaters

- 1 Only 1-K kerosene is used and it is bought from a dealer who can certify that the product is 1-K kerosene. Grades other than 1-K will increase

## This Just In

Beginning May 1, 2011, many homeowners will be seeing a new “standard” insurance form. The Insurance Services Office, Inc. (ISO) announced the filing of its new homeowners insurance form in all states except Hawaii, North Carolina, Virginia and Washington. Some of the changes you should look for include:

- \* changes to the policy forms that address topics such as collapse coverage, the deductible provision, self-storage facilities, the earth-movement exclusion, motorized toy vehicles, and property of students attending school.
- \* streamlined rules and loss costs that better complement the policy form changes.
- \* new endorsements, such as a canine liability exclusion endorsement.
- \* an enhanced trust endorsement that more specifically addresses the types of trusts that a typical homeowners program covers.

As always, if you have questions on your homeowners or auto coverage, please contact us for a policy review.



# Protect Your Landscape Investment

One of the more common complaints heard from insureds after a major property loss is a lack of homeowners coverage for valuable trees and landscaping.

**M**ost homeowners policies provide only limited coverage (with restricted perils) for this loss exposure—usually 5 percent of the dwelling limit subject to a maximum of \$500 per tree or shrub. Peril restrictions may also preclude coverage; for example, there is no landscaping coverage for a loss to landscape arising out of wind-storm. Unfortunately, many trees, in particular, can be valued in the thousands or even tens of thousands of dollars. To protect this investment, consider the following risk management tips.

- ✱ If you have valuable mature trees, consider asking a licensed or certified arborist to appraise their value. Trained arborists use guidelines to value these trees, and such guidelines are recognized by insur-

ance companies, the courts, and, in most cases, the Internal Revenue Service.

- ✱ Once you have the valuation, consider asking for an endorsement to provide higher limits and enhanced coverage for your valuable trees and other landscaping.
- ✱ Practice sound loss control for your trees. For example, topping of trees should be avoided. (Topping is the indiscriminate cutting of trees to stubs or lateral branches that are not large enough to sustain the remaining branch.)
- ✱ Hire a tree specialist to properly prune and thin out your mature trees. This action makes your trees less susceptible to disease and insects. For extremely valuable trees, consider hiring an arborist for this work. When selecting an arborist, check for his or her membership in professional

organizations such as the International Society of Arboriculture (ISA), or the Tree Care Industry Association (TCIA).

- ✱ Recognize tree hazards to avoid injuries and damage to property. For examples, dead or dying trees are more likely to fall into utility lines, which could cause power outages, surges, and fires. Dead or dying trees are also likely to damage homes and could even injure people should they fall. Hiring a reputable tree specialist to remove dead or dying trees is a smart move. Get copies of the contractor's certificates of insurance for workers compensation and general liability before work begins.

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**WARM**—continued from Page 1

sulfur dioxide emissions, posing a possible health problem. If you buy kerosene from a gasoline station, make sure you or the attendant use the kerosene pump, not the gasoline pump.

Yes  No

2 The heater is placed out of the path of traffic areas, such as doorways and hallways. Place heater so it will not be knocked over or trap you in case of fire. Check with your local fire marshal for applicable codes and regulations.

Yes  No

3 Kerosene is stored outdoors, out of the reach of children in a tightly sealed, preferably blue plastic or metal container, labeled “kerosene.”

Yes  No

4 No attempt is made to move the heater if flare-up (flames outside the heater cabinet) occurs. The fire department is called immediately.

Yes  No

5 The heater is used in well-ventilated rooms.

Yes  No

6 The heater is turned off while sleeping and is never left operating unattended.

Yes  No

7. The heater is placed at least three feet away from anything that might catch fire such as clothing, furniture, curtains, etc.

Yes  No

### Gas-Fired Space Heaters

1 Only vented heaters are installed or used in sleeping quarters. Unvented heaters should not be used in small enclosed areas, especially bedrooms, because of the potential for carbon monoxide poisoning.

Yes  No

2 Vented heaters are properly vented to the outside.

Yes  No

3 The unvented gas-fired room heater has a warning label and instructions that are followed.

Yes  No

4 The unvented gas-fired room heater has a label stating it has a “pilot safety system,” which turns off the gas if not enough fresh air is available.

Yes  No

5 The vented heater has a label stating that it is equipped with a vent safety shutoff system.

Yes  No

6 If the heater uses liquefied petroleum (LP) gas, the container is located outside the house.

Yes  No

7 The manufacturer’s instructions for lighting the pilot are followed.

Yes  No

8 Matches are lighted before turning on the gas if pilot lighting is required.

Yes  No

9 Flammable materials and liquids are kept away from gas heating appliances.

Yes  No

### Portable Electric Heaters

1 The heater is operated at least three feet away from upholstered furniture, drapes, bedding and other combustible materials.

Yes  No

2 The extension cord (if used) is marked #14 or #12 American Wire Gauge (AWG). Avoid using extension cords unless absolutely necessary. *Keep the cord stretched out. Do not permit it to become buried under carpeting or rugs. Do not place anything on top of the cord.*

Yes  No

3 The heater is used on the floor.

Yes  No

4 The heater is turned off when family members leave the house or are sleeping. *The U.S. Consumer Product Safety Commission estimates that half the deaths and one-third of the injuries resulting from electric heater fires occurred at night when family members were asleep and the heater unattended.*

Yes  No

**BUYERS**—continued from Page 4

**Insurer ratings.** Although pricing is important, you want to be sure your carrier will be able to pay your claims. Various companies rate insurers’ solvency and claims-paying ability, including Best’s, Standard & Poor’s, Moody’s and Fitch Ratings. Your broker will consider an insurer’s ratings as well as its policy terms and pricing in making recommendations.

**Insurer services.** Brokers know which extra services carriers provide for their policyholders. These can include additional services when the policy is being underwritten, such as inspections for security and loss prevention purposes. Some insurers specializing in

high-end clientele provide additional services after a claim. Ask your broker which carriers might specialize in providing these services if you have a high-end home or vehicle, or special liability concerns.

**Specialty markets.** Sometimes “standard” carriers will not write policies that present unusual or large risks. A good broker knows and has access to the specialty markets that cover your needs. Often, “admitted” insurers (those licensed to do business in your state) will not write these types of risks, so your broker will have to go to the surplus lines (or nonadmitted) market.

**Broker claim services.** A good broker’s service does not end after the sale. Brokers

can help their clients file claims and negotiate with the carrier on their behalf. Look for a broker with the systems and staff to help you handle claims.

**Communications.** Your broker should keep you informed of news that affects your insurance program on a regular basis. He/she should also check in with you on a regular basis, not just at renewal time, to see if your family situation, housing or vehicle use have changed in a way that might affect your coverage needs.

For more information on how we can help you negotiate the tricky world of insurance coverage, please call us. ■



# What Smart Insurance Buyers Need to Know

In tough economic times, you want your money to go as far as possible, including on your insurance. Here are some pointers to help you get the best possible coverage at the best price.



**Brokers vs. agents.** In some ways, buying insurance is like buying a car. When you need a new car, you don't go to Detroit; you go to a dealer, who acts as an intermediary to help you get the car you want. Insurance agents and brokers also act as middlemen to help consumers navigate the insurance-buying transaction.

Both agents and brokers are licensed by the state; however, (in most states) they have different roles. Agents are employees of an insurer and (in most cases) offer only the prod-

ucts of that particular insurer. Examples of agency companies are State Farm and Farmer's. A State Farm agent, for example, will sell you State Farm products. A broker, on the other hand, can offer products of many insurers. Brokers who are "appointed" by an insurance company can market that company's products. Brokers usually also have access to products of other insurers through managing general agents and other sources, giving you a wider variety of options in coverage features and price.

**Marketing.** One of the most important services a broker provides is marketing your business to insurance carriers. This involves selecting from dozens of insurers the several that will most likely provide the coverage you need at a reasonable price. Your broker will then work with underwriters at those carriers to get quotes on your home, vehicles or liability coverage. During a "hard market," demand for coverage exceeds availability (as in certain parts of the country after Hurricane Katrina). During a "soft market," your broker will look for those insurers who balance available capacity and good pricing with good underwriting practices to ensure the carrier's future solvency.

**Risk analysis.** Your broker needs to know your likely risk exposures to know what types and amounts of coverage you will need. Providing your broker with all the information he/she needs to make a complete risk submission will help ensure you get the best possible insurance program. This can include lawsuits filed or threatened, along with situations (auto accidents, injuries at your home, dog bites and the like) that could lead to lawsuits.

*BUYERS—continued on Page 3*

## How to Save on Your Homeowners or Condominium Insurance

- \* Consider a higher deductible. Increasing your deductible by just a few hundred dollars can make a big difference in your premium.
- \* Ask your insurance agent about discounts. You may be able to get a lower premium if your home has safety features such as dead-bolt locks, smoke detectors, an alarm system, storm shutters or fire retardant roofing material. Persons over 55 years of age or long-term customers may also be offered discounts.
- \* Insure your house, NOT the land under it. After a disaster, the land is still there. If you don't subtract the value of the land when deciding how much homeowner's insurance to buy, you will pay more than you should.
- \* Don't wait till you have a loss to find out if you have the right type and amount of insurance.
- \* Make certain you purchase enough coverage to replace what is insured. "Replacement" coverage gives you the money to

rebuild your home and replace its contents. An "actual cash value" policy is cheaper but pays only what your property is worth at the time of loss—your cost minus depreciation for age and wear.

- \* Ask about special coverage you might need. You may have to pay extra for computers, cameras, jewelry, art, antiques, musical instruments, stamp collections, etc.
- \* Remember that flood and earthquake damage are not covered by a standard homeowners policy. The cost of a separate earthquake policy will depend on the likelihood of earthquakes in your area. Homeowners who live in areas prone to flooding should take advantage of the National Flood Insurance Program.
- \* If you are a renter, do not assume your landlord carries insurance on your personal belongings. Purchase a separate policy for renters. ■

Source: Consumer Action Website, federal General Services Administration (GSA)