



FELTON, BERLIN & ERDMANN
INSURANCE SERVICES, INC.

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Welcome



I am pleased to send along our quarterly newsletter.

Please feel free to send us your feedback about the material presented as well as topics/ ideas for future newsletters.

Best wishes!

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What's New This Month

How the Pandemic May Affect Your Homeowner's Insurance

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Home- Based Business Not Covered by Homeowner's Policy

How the Pandemic May Affect Your Homeowner's Insurance

While COVID-19 continues raging across the country, the pandemic has made many people worry about their homeowner's insurance coverage.

We've all seen how the pandemic has damaged the U.S. economy and it is affecting the insurance industry as well, prompting some to worry about large policy rate hikes or their ability to pay their premiums on time, if at all.

There is also the possibility of increased costs of medical care due to how hospitals are having to work with non- COVID-19 patients, which could mean that any liability claims involving medical care could increase in cost.

While the overall effects from the pandemic have yet to be realized, here are some of the insurance questions homeowners have been asking.

Will my premiums go up?

With the widespread economic hit the economy has taken, it's natural to assume insurance companies have been too, which means they could need to hike their rates. There may be some lines of commercial insurance that will see premium hikes, but overall, homeowner's claims during the pandemic have been declining.

The pandemic has reduced the risk of burglaries because so many people are working from home or have no work, so they are, you guessed it: at home. Burglars aren't keen on breaking into homes that aren't empty.

On top of that, because many people are at home so much more than before, they are more likely to immediately notice other issues, such as a fire, leaks, and other issues that suddenly occur. If a homeowner is away when these events occur, the damage is likely to be more extensive, while someone who is at home can stop something like a fire before it gets out of control.

What if I can't pay my premiums?

Tens of millions of Americans have lost their jobs during the pandemic. One in four adults have had trouble paying their bills since the coronavirus outbreak started, a third have dipped into savings or retirement accounts to make ends meet, and about one in six have borrowed money from friends or family or gotten food from a food bank.

Naturally, paying an insurance premium instead of putting food on the table is really not a choice. Fortunately, many insurers have offered to temporarily suspend payments. If you are in this position, you can call your insurance company to make arrangements to keep your policy in force.

Do I need to increase my liability coverage?

Homeowner's policies, besides covering your structure, also provide liability protection should a guest injure themselves at your home or one of your family members damages a third party's property.

Usually, in these scenarios, you could file a claim against your homeowners' policy, but due to the pandemic, the cost of treating non- COVID-19 patients is costing more. Hospitals have to test and take many more precautions than before the pandemic, which is driving up the cost of care.

That could mean that your liability coverage limits may not be enough to pay any medical bills for a third- party claimant. Additionally, if you have a get- together at your home and someone claims they contracted COVID-19 there and can prove it, you could be sued for negligence if you had people over knowing that one of them or one of your family had the virus.

To make sure your homeowner's policy can adequately cover injury claims, you may consider increasing the liability limits or purchasing a reasonably priced umbrella policy.

What if a claims adjuster wants to visit my home?

While this is something that many policyholders would naturally be afraid of in the current circumstances, the pandemic has made it more difficult for insurance companies to inspect the damage as they process a claim. Some may ask that you take pictures of the damage and also provide "before" photos if you have them.

Some insurance companies are performing exterior inspections on policyholders' homes while observing social distancing measures the entire time. Others are using virtual claims processing.

Filing a virtual claim takes no more than signing into an app or website, writing a report that details the extent of the damage or loss, and submitting photos and videos as evidence.

The takeaway

Fortunately, the pandemic fallout is limited so far for homeowner's insurance policyholders.

But when your renewal is coming up, you may want to call us about what to expect and if you should change some of your coverage limits. Your insurer may also be imposing policy language changes that could affect future claims. We can help you sort through it all.

Pandemic- related Charity Fraud Booms: FBI

Many Americans want to help during the COVID-19 pandemic by contributing to charities, but the FBI is warning that scammers also are angling to get at your money by posing as charities to help coronavirus victims.

Nationwide, the FBI and other law enforcement agencies have received reports of scammers fraudulently soliciting donations for individuals, groups and areas affected by COVID-19. They are leveraging the COVID-19 pandemic to steal your money, your personal information, or both. Don't let them.

Charity scams often occur when a fraudster poses as a real charity or uses the name of a real charity to get money from you.

Do not give money to any charity calling you for donations and be wary if you get a call about a donation pledge that you don't remember making.

Making things trickier, you can't always believe your caller ID. Scammers often spoof organizations' phone numbers. It's always best to research the organization telephone number yourself and ask to call back to verify.

Don't let them pressure you or make you rush to donate. If they are pushy, there is a strong possibility that they are scammers.

Similarly, if you receive an e-mail purporting to be from a charitable organization, whatever you do, do not click on links. These could be attempts to download viruses onto your computer or cell phone.

Watch out for charity names which sound very similar to well-known charities, as well as e-mail addresses that are not consistent with the charity soliciting donations. Instead, search for the charity using an internet search engine to ensure you're connected to the actual charitable organization.

The best way to protect yourself is by doing your research.

Further advice

You can also follow these tips:

- Do your homework when it comes to donations, whether you're donating through charities, social media or crowdfunding websites.
- Look for online reviews of charity organizations or use information from your state's regulator of charities or from websites like the Better Business Bureau, give.org, charitynavigator.org or charitywatch.org to check on the legitimacy of charitable organizations.
- Before donating, ask how much of the donation will go toward the program or cause you want to support. Every organization has administrative costs, and it's important to understand those structures.
- Never pay by gift card or wire transfer. Credit cards are safer.
- After making a donation, be sure to review your financial accounts to ensure additional funds are not deducted or charged.
- Always do your research before clicking on links purporting to provide information on the coronavirus, purchasing COVID-related products online, or providing your personal information in order to receive money or other benefits.

The FBI has more tips at fbi.gov/charityfraud.

If you think you are a victim of a scam or attempted fraud involving COVID-19, you can report it to the FBI online at tips.fbi.gov and to the Federal Trade Commission at ftc.gov/complaint.

Home- Based Business Not Covered by Homeowner's Policy

With recent advances in both technology and the internet, and many people working from home or having been laid off due to the COVID-19 pandemic, many Americans have or are planning to start a home-based business.

But will your homeowner's policy cover the risks of a home-based business? In nearly every case, the answer is no.

Exceptions exist in the form of special endorsements, such as an endorsement to run a child-care operation from your home, but fewer and fewer companies offer such endorsements.

Even with a special endorsement, policies may give a very limited amount of coverage for business property, like computers and other electronics. The bottom line is, nearly all homeowner's policies clearly exclude business operations and not having a proper coverage in place can leave you with uninsured exposure. This is why you need separate business insurance to cover your home-based business risks.

Business insurance

Home- based business owners may feel that they don't need coverage because nobody steps foot on their premises. Even if this is true, liability claims often happen away from the business premises. Business insurance covers you in situations where someone takes action for information on your website, or if someone is injured by the product, or service, you provide.

Off- premises injury can occur when someone trips on or is injured by property you have taken into the field, such as to a trade show or event. A business policy will cover these injuries as well as meet the insurance requirements of most trade shows and events you may attend.

Competitors and customers both may sue a business owner for personal injury. Business policies include coverage for personal injury lawsuits, should someone take legal action against you for things like libel or slander.

From a property standpoint, any business property you may have in your home is usually excluded or has very limited coverage under a homeowner's policy. Getting coverage to protect your computers, equipment, furniture, inventory and any other physical assets helps keep your business in operation with minimal disruption and financial loss.

A business policy also usually covers loss of income, which is payment for income you did not earn as a result of a loss covered under your policy. Policies may also include coverage for things like valuable papers, damage to property of others, property coverage off- premises and a number of other additional coverages.

A business owner's policy includes the coverage described above and is specifically designed to protect the unique interests and property of the owner of a business. This package policy includes nearly all of the coverage you need.

Other coverages

However, if you are providing some kind of professional advice, consulting or other non- tangible professional services, you may also need a professional liability policy. This is also known as errors & omissions insurance. In addition, if you have any employees, you are probably required by law to get workers' compensation insurance.

Depending on the type and size of business you own, you may have yet further insurance needs.

The takeaway

Hoping that your homeowner's policy is going to cover you in the event of a claim will leave you frustrated if your business experiences a loss.

Businesses have a much higher risk than a homeowner's policy allows for, and homeowner's claims adjusters will quickly deny coverage for business- related claims in the event of a loss. Talk to us today to explore your home- based business insurance needs and options.

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