



Flood Insurance

Coverage Important as Storms Grow More Intense

AS THIS year's winter in California has proven, even in a state under severe drought, storms can bring record amounts of rain, flooding homes and businesses in some areas. The recent floods in California from the atmospheric rivers that pummeled the state in December and January caused up to \$1.5 billion in insured losses, including flood losses, according to Moody's Investor Services.

And as weather systems and storms grow more frequent, wetter and more severe, more areas that were once considered safe from flooding are now exposed.

That puts many homeowners in a quandary. They may live in an area that's considered low risk by the Federal Emergency Management Agency and their mortgage lender didn't require insurance as a condition of their home loan. But if their home were to be flooded, their homeowner's insurance won't pay for the damage.

Currently, only 2% of California homes are insured for flood damage, according to the California Department of Insurance.

As more areas outside of FEMA-designated flood zones experience flooding, homeowners need to consider their risk and if they should consider purchasing flood insurance. After all, homeowner's insurance policies will not cover damage from floods.

Insurance

The majority of homeowners purchase their flood insurance from the National Flood Protection Insurance Program, which is run by FEMA. There are private insurers in the market, but not many.

The average cost of flood insurance through the NFIP is \$874 per year, but the amount you pay depends on your location.

WHAT POLICIES COVER

Policies pay for direct physical damage to your insured property up to the replacement cost or actual cash value of the damages or the policy limit of liability, whichever is less.

1. Building property, up to

\$250,000. This includes the shell of the home, its foundation, plumbing, electrical systems, HVAC systems, cabinetry, flooring, etc. A detached garage will also typically be covered.

2. Personal property (contents),

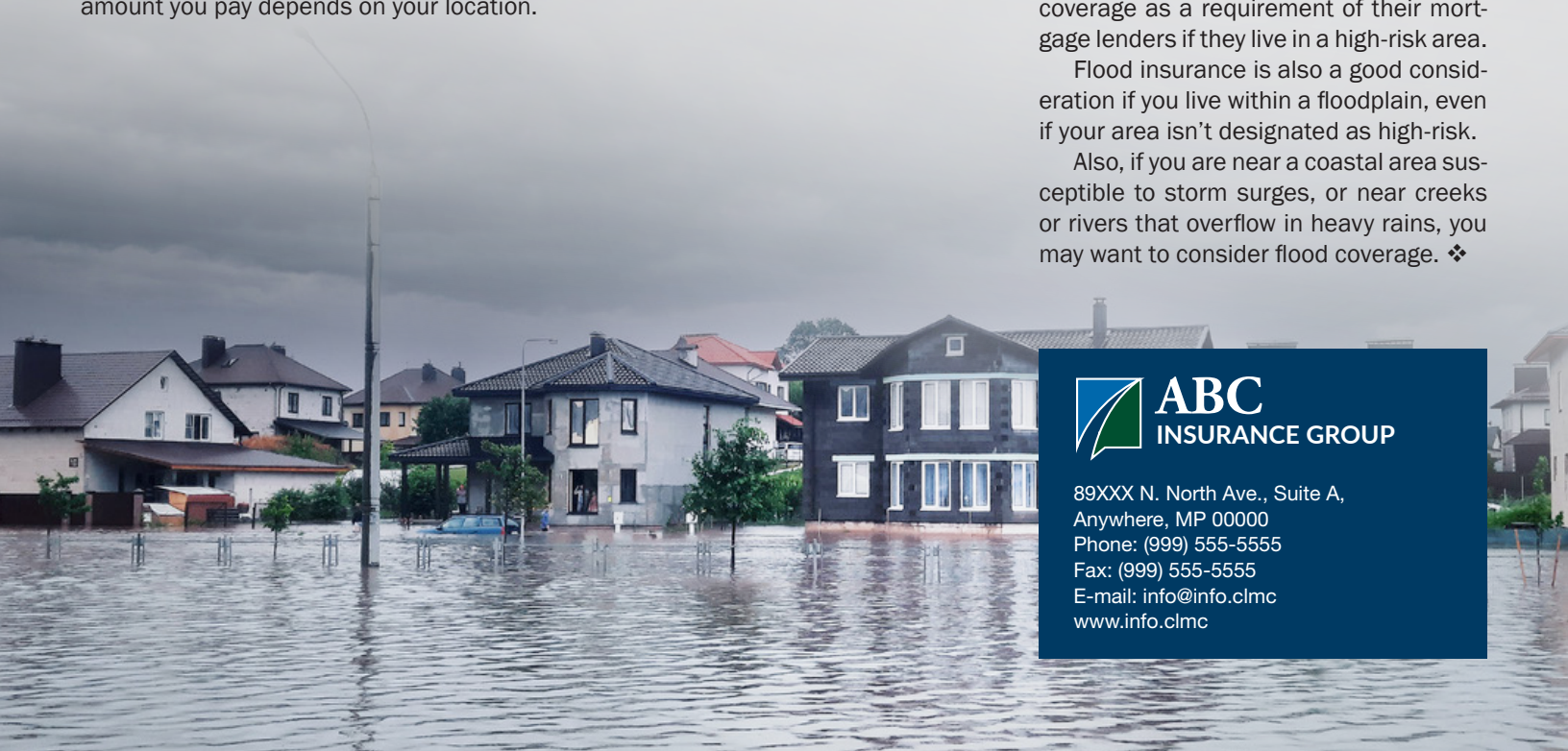
up to \$100,000. This will typically include certain appliances, furniture, electronics, clothing, freezers and lost food, and various valuables (though limits exist).

The takeaway

Flood insurance isn't mandated, but many homeowners still need to purchase coverage as a requirement of their mortgage lenders if they live in a high-risk area.

Flood insurance is also a good consideration if you live within a floodplain, even if your area isn't designated as high-risk.

Also, if you are near a coastal area susceptible to storm surges, or near creeks or rivers that overflow in heavy rains, you may want to consider flood coverage. ❖



Do Roundabouts Make You Nervous? Follow These Tips

MORE CITIES and towns throughout the U.S. are replacing four-way intersections with roundabouts to help with traffic flow and reduce the chances of accidents.

While navigating a roundabout can be daunting and confusing for many people, it's in your best interest (and that of others on the road) that you learn how to safely drive in one. Even if your city doesn't have roundabouts, you may find them in other towns or cities that you visit, so you should learn the rules in advance.

Roundabouts have been proven to be safer than regular four-way intersections since all vehicles are going in the same direction and they eliminate left turns against oncoming traffic – a major cause of accidents. Also, roundabouts force motorists to drive more slowly by their design.

Roundabout tips

Approach – When approaching a roundabout there will usually be a sign warning you about it, and there will also usually be a yield sign right before it. If you're approaching a multi-lane roundabout there will likely be two signs:

- The yellow “roundabout ahead” sign, and
- A black and white “lane choice” sign that states you need to choose a lane before you enter.

If it is a two-lane roundabout, and you plan to make a right turn at the next street intersecting the roundabout, you should approach in the right-hand lane. If you plan to exit at another street intersecting the roundabout, opt for the left lane.

Before entering any roundabout, slow down and prepare to yield to any vehicles that are already in the roundabout.

Entering the roundabout – Yield to any vehicles in the roundabout and enter only when it's clear. The action is akin to when entering a freeway or turning right at a red traffic light.



YIELD TO TRAFFIC: When entering a roundabout, approach slowly and check for traffic. If there is a vehicle in the outer lane, allow it to pass before proceeding into the roundabout.



KEEP IN YOUR LANE: Always enter and exit the roundabout without crossing lanes. Do not attempt to exit the roundabout from the inside lane as you may collide with a vehicle in the outer lane.

Navigating the roundabout – Once you enter, accelerate to the speed limit or the flow of traffic. If there are two lanes, you should stay in the inside lane to keep turning left. The golden rule of roundabouts is to yield to other drivers and stay in your lane. If you change lanes in a two-lane traffic circle, you could cause an accident or backup.

Also, you should never stop when you are in the roundabout. Instead, go with the flow of traffic.

Exiting the roundabout – When it's time to exit the roundabout, you should signal your intention to do so by using your right-turn signal. Look for any pedestrians or bicycles that may be crossing before you proceed. If you are in the inside lane, you'll need to plan ahead, signal right, change lanes and turn left onto your street.

Other tips

You should always drive defensively and allow plenty of space between your car and the vehicles ahead. If another driver becomes confused and stops their vehicle in the roundabout, be patient and wait for them to proceed.

If a vehicle operator were to attempt to go around a confused driver, added chaos could result, possibly causing vehicle conflicts. So, it's in everyone's best interest to wait for these vehicles, and then continue through the roundabout.

Also, if an emergency vehicle enters the roundabout, if the roadway in the roundabout is wide enough, you should pull as far to the right as possible and allow it to pass.

However, it is generally better to completely clear the intersection and pull off to the side of the road after exiting the roundabout. ❖

Ongoing Risk

Protecting Your Home Against Garage Fires

AFTER THE kitchen, the garage is the second-most common place in the home where fires start.

There are some 6,600 garage fires that cause an estimated \$457 million in property losses every year, according to the U.S. Fire Administration.

The danger is that these fires, after they start, are rarely confined to the garage, easily spreading into adjacent parts of the house and beyond.

One reason garages are especially prone to fires is that many homeowners store chemicals and flammable liquids, boxes with personal effects, clothes and other flammable materials in them.

What you can do

Don't store flammable materials – There are a number of flammable materials you should avoid storing in the garage as they can easily catch fire if there is a spark nearby.

Instead of the garage, store flammable liquids and fertilizer in a shed that is not attached to your home.

If you are keeping other flammable materials in your garage, like newspapers, books, magazines, old files, clothing and more, keep them in sealed boxes and not loose in the open.

FLAMMABLES OFTEN IN GARAGES

- Aerosols
- Paint, paint thinner, varnishes and turpentine
- Fuels: oil, gas and propane
- Automotive fluids
- Fertilizer

Protect the water heater – Keep a 3-foot radius clear around the water heater. If a flammable item comes in contact with it for an extended period of time, it can easily catch fire.

Don't overload outlets – Electrical problems are the top cause of garage fires. If you are plugging multiple items into your outlets, you could be creating a fire hazard.

Plug only one appliance into each outlet and inspect all cords to ensure they are not frayed, broken or bent. Do not keep items you are not using plugged in for extended periods of time, particularly chargers for drill batteries. They have been known to catch fire.

Install a proper door – The door between the home and the garage should be solid-core with a minimum 20-minute fire rating and a self-closing mechanism.

Maintain your car – If you notice liquid stains underneath your vehicle, have the problem checked by your mechanic and repaired if necessary.

Cracked fuel lines, broken fuel injectors and a malfunctioning car battery could all cause a fire, as well.

Declutter your garage – If you have a cluttered garage, it is at higher risk of fire and having a fire spread quickly. Take a page out of Marie Kondo's book and declutter your garage by throwing away stuff you don't need and making it tidy.

Install a heat alarm – Smoke detectors aren't used in the garage because cars produce smoke and carbon monoxide – two things that set off a smoke detector. Instead, consider a heat alarm, which will only trigger if there is a sharp increase in temperature.

Fire extinguishers – Keep a fire extinguisher in your garage that can put out flammable liquid and electrical fires. Ideally, that would be the B:C fire extinguisher.

The takeaway

Taking steps to fire-proof your garage can give you peace of mind and prevent a calamity that could burn your home to the ground. Fires fueled by flammable liquids and clutter can spread quickly, leaving you little time to act.

Don't let that happen in your home. ❖



Adult Children on Your Policies Can Create Coverage Gaps

THESE DAYS many families are assisting their adult children financially far longer than parents of earlier generations did. And that kind of support for college, and sometimes basic survival, can create insurance coverage gaps for the adult child that can be a major risk to the parent's financial well-being.

If you have an adult child who is still financially dependent on you in some way, it's critical that you secure appropriate insurance coverage. Issues that will affect coverage include if they are a full- or part-time student, where they live and how old they are.

Under a homeowner's policy an insured is limited to:

- "Residents of your household who are your relative," and
- "A student enrolled in school full time, as defined by the school, and is under the age of" 24-29 (this varies depending on the policy and carrier, so check your policy).

The above can cause issues for some people as many children are still in college beyond the policy cut-off date. You could run into coverage gaps for their contents and personal liability if:

- They are older than the cut-off age on your policy,
- They are not a full-time student, or
- They are living away from home.

The picture gets murkier these days as well because many parents are renting an apartment or buying condos for their adult children to live in. Some parents may mistakenly think that since they are footing the bill, their insurance may still cover their adult child. But that's not the case.

The standard policy form defines a family member as "a person related to you by blood, marriage or adoption who is a resident of your household."

For your adult child's vehicle insurance, coverage is determined by:

- Who owns the title on the car.
- Who is listed on the policy as a named insured or additional insured.
- Where the child is living.

As you can see, even if a parent owns the title of the car and it's insured under the parent's policy, if the adult child is driving the vehicle and lives on their own, they could run into coverage issues.

COVERAGE GAP EXAMPLES

- If a car is co-titled or titled solely to the child, but the child isn't listed as an additional insured or named insured on the parents' policy.
- Your child borrows a friend's car (which the friend had not insured) for the day, gets in an accident and injures the driver of the other car.
- Your child rents a vehicle and doesn't buy the insurance offered by the rental car company, and then is in an accident.
- Your child is hit by an uninsured motorist while walking across the street. There are no medical payments or uninsured motorist's coverage for his own injuries.
- Your child is at a concert and accidentally bumps someone off the edge of the stadium bleachers, causing severe injuries. There's no coverage for the injuries caused to that person.

Source: West Bend Mutual Insurance Company

If you have an adult child on your policy, play it safe and give us a call so we can go over the policy and circumstances with you to identify any possible coverage gaps. ❖

