

Automobile

In the recent past a famous golfer, let's call him "Tiger", had an automobile accident in which he ran over several things, among them were city property including a streetlight. This reminds me of an Agency Owner friend of mine that had a client run over and destroy a little, green fiber-optic box on accident. The property damages totaled \$65,000. The Property Damage Liability Limits of her policy was \$50,000. Thus, leaving a \$15,000 debt to the client. Decades ago, a \$50,000 policy was a good amount, but these days it can barely, if at all, cover the damages done. The kicker is that the client could have had a \$100,000 insurance coverage for only two more dollars a year, per car. If he would have had a regular policy review this hole in his coverage would have been found!

HomeOwners

Let's consider Max and Faith. They purchased their home 12 years ago when Max was still working at Lockheed as a Human Resources Manager. They lived a pretty conservative life, with few expensive items. Three years ago, they decided to finish the lower level of their home, and they added a bathroom, bedroom, and an area for their new television complete with surround sound. They also built a large area for Max's very large and expensive baseball card and memorabilia collection he had inherited from his father. When they pur-

chased their home 12 years ago, they purchased a deluxe homeowners policy and did not have any known collectibles and had no use for extra coverage in that field. There was more than enough to replace their home and the contents of it at that time.

While away at a family reunion, Max and Faith's house was engulfed in a fire due to an electric surge. In an instant, and unbeknownst to them, everything was gone. It was upon returning home and seeing this destruction that Max and Faith discovered that they had not had a policy review in several years. In fact, they could not remember the last time they evaluated their homeowner coverage with their insurance agent.

Their Dwelling (structural) Coverage was never updated to include the \$40,000 improvements to the lower level. The baseball cards and collectibles were worth well over \$10,000, far exceeding the \$1,000 that was allowed for it. All of this could have been avoided with a simple policy review. To have to proper limits would be a nominal charge.

Renters

Have you ever seen a local newspaper with a young person looking up in disbelief after their apartment has burned? The person often recounts the tale with shock that it happened to them even though they were not there. In a flash, they have lost all their worldly possessions due to the negligence of others. When pressed with the question of

renter's insurance, they often reply that they have it, but have no idea what it covers.

Unfortunately, this story is far too common for today's renter, as more and more rental companies require you have renter's insurance at the time of or shortly after signing a lease. Many times, this policy is executed without the insurance agent and the client ever discussing the terms of the policy. This sales approach is very questionable, since a review of the policy is necessary prior to signing.

Just because a complex or landlord offers you renters insurance, doesn't mean you do not need an agent to review the policy or go get one on your own. Lapses in coverage or inadequate coverage may appear in the most inopportune time! You need to properly have a policy review with a licensed insurance agent, not a property manager moonlighting as an insurance agent!

Life

Frank and Suzanne were married 14 years ago and followed the advice of their insurance agent. They each agreed to purchase a 20-year term policy for \$100,000. That amount would pay off the home in the event that something happened to either of them.

Fast forward to the present, and Frank and Suzanne are giddy as they traveled back from Russia with their newly adopted baby girl. That brings their clan to a total of four children now all under the age of 12.

Everything seemed so perfect until that day Frank felt odd. He felt a tingling in his arm and his chest started to hurt. Frank was terrified that he was having a heart attack! Little did Frank know he was actually having a full-blown anxiety attack. As Frank sat panicking, he feared that \$100,000 was no longer enough coverage to protect his family.

Frank and Suzanne should have been reviewing their term policy every year or at least with every addition to his family. Fortunately, Frank was given another opportunity. After participating in a Life Discovery Conversation, it was agreed that the coverage amount should be increased to \$1 million on Frank and \$500,000 for Suzanne.

These stories are told to show you the need for a regular policy review. While these are hypothetical situations each are very real possibilities for countless people that assume they have enough coverage. Every insurance purchaser should check with his or her agent periodically to make sure they do not become a future hypothetical.

