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# Thorp & Trainer Times

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# How Does Hurricane Insurance Work?

## Hurricane and Named Storm Deductibles

**Issue:** Hurricane Andrew in 1992 and subsequent hurricanes have caused insurers to take steps to mitigate future losses in hurricane-prone areas. Hurricanes and tropical storms caused $159.1 billion in insured losses between 1994 and 2013, according to the Insurance Services Office. Over the last decade, more and more people and businesses have moved closer to shorelines, and property values have generally increased. As part of a broad effort to keep insurance coverage available and affordable, many insurers have recently added hurricane and named storm deductibles to limit potential losses through higher deductibles.

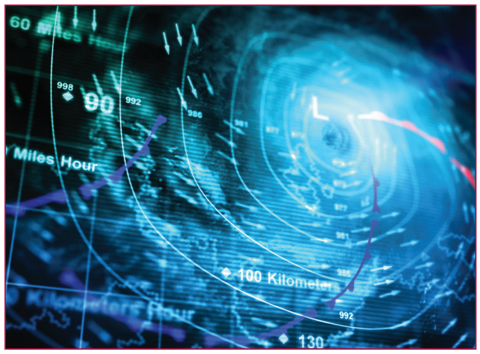
Hurricane and named storm deductibles were introduced as a risk-sharing mechanism, by having the policyholder bear more of the risks, without raising overall premiums to unaffordable levels. However, insurers and consumers have issues with the use of hurricane deductibles. Insurers are concerned about clarity of state laws and actions of state officials that might limit the use of hurricane deductibles. Consumers are concerned about what to them seems an unjustified cost shifting at a time when they can least afford it. Consumers also complain about lack of meaningful disclosure about the deductibles.

**Overview:** A deductible is the amount of loss paid by the policyholder before any loss is paid by the insurer. For most "perils" (such as fire damage and theft), the standard deductible is a flat dollar amount (e.g., $500 or $1,000). This means a policyholder would be responsible to pay the flat dollar amount out of pocket for a loss.

In many coastal states, homeowners' insurance policies also include deductibles that apply only to damage caused by hurricanes. A hurricane, or named storm, deductible is applied separately from standard perils deductibles and is typically a higher dollar amount, meaning a policyholder would be responsible for a larger portion of any loss. It can be expressed as a fixed dollar deductible or, more commonly, as a percentage of the home's insured value, which can vary from 1% to as high as 10%.

Although definitions vary, a hurricane deductible typically applies to damage solely from a hurricane as categorized by the National Weather Service or U.S. National Hurricane Center. A named storm deductible applies to a weather event declared as a hurricane, typhoon, tropical storm or cyclone by the U.S. National Weather Service, the U.S. National Hurricane Center or the U.S. National Oceanic and Atmosphere Administration, and where a number or "name" has been applied (e.g., Hurricane Andrew, Superstorm Sandy, etc.). Any loss must have been caused or resulted from the named storm event.

Some policies also include a windstorm or wind/hail deductible. These usually apply to any kind of damage from a wind or hail event. For example, if a tree falls on a policyholder's roof on a windy day, the claim would be subject to the wind deductible. Flood damage, however, is covered only if a separate flood insurance policy was purchased, generally from the National Flood Insurance Program or from a private company.



Whether a hurricane, named storm or windstorm deductible applies to a claim depends on the applicable "trigger" selected by the insurance company. These deductibles apply only if certain parameters spelled out in the insurance contract are met, which are often proscribed or limited in state law. While there are similarities among the state laws, no two laws are identical; triggers vary from state to state, as well as from insurer to insurer.

Nineteen states, including Connecticut and Rhode Island, currently have some form of hurricane or named storm deductible in place. Other states may allow insurers to include hurricane deductibles in property insurance products.

Proud to Support the Fight Against Breast Cancer

# Parents are the Key to Safe Teen Drivers

*Content provided by the Centers for Disease Control and Prevention*

**Six teens a day are killed in car crashes. But injuries and deaths are preventable. At Thorp & Trainer Insurance, we want to help you make sure your young driver is aware of the leading causes of teen crashes. Then, we advise to implement a parent-teen driving agreement to put rules in place that will help your teen stay safe.**

## Parent-Teen Driving Agreement

Having regular conversations about safety, practicing driving together, and leading by example go a long way in ensuring your teen makes smart decisions when they get behind the wheel.

But there's another simple step you can take to get on the same page about your family's rules of the road. Create a Parent-Teen Driving Agreement that puts your rules in writing to clearly set expectations and limits. Work with your teen to outline hazards to avoid and consequences for breaking rules. Keep it on the fridge and update it as your teen gains experience and more driving privileges.

A Parent-Teen Driving Agreement is available through the CDC at:

**www.cdc.gov/parentsarethekey/parents/**

## 1 DRIVER INEXPERIENCE

*Crash risk is highest in the first year a teen has their license.*

Provide at least 30 to 50 hours of supervised driving practice over at least six months.

Practice on a variety of roads, at different times of day, and in varied weather and traffic conditions.

Stress the importance of continually scanning for potential hazards including other vehicles, bicyclists, and pedestrians.

## 2 TEEN PASSENGERS

*Crash risk goes up when teens drive with other teens in the car.*

Follow your state's Graduated Driver Licensing system for passenger restrictions. If your state doesn't have such a rule, limit the number of teen passengers your teen can have to zero or one.

Keep this rule for at least the first six months that your teen is driving.

## 3 NIGHTTIME DRIVING

*For all ages, fatal crashes are more likely to occur at night; but the risk is higher for teens.*

Make sure your teen is off the road by 9 or 10 p.m. for at least the first six months of licensed driving.

Practice nighttime driving with your teen when you think they are ready.

## 4 NOT USING SEAT BELTS

*The simplest way to prevent car crash deaths is to buckle up.*

Require your teen to wear a seat belt on every trip. This simple step can reduce your teen's risk of dying or being badly injured in a crash by about half.

# Understanding the Basics of Auto Insurance

*At Thorp & Trainer, we believe in educating our policyholders to ensure they understand the complexities of insurance. Below are some basic terms you should know to make an informed decision about auto insurance.*

## MANDATORY COVERAGE

- **Bodily Injury Liability**—This covers costs associated with injuries and death that you or another driver causes while driving your car.
- **Property Damage Liability**—This coverage will reimburse others for damage that you or another driver operating your car causes to another vehicle or other property, such as a fence, building or utility pole.

## FREQUENTLY REQUIRED COVERAGE

- **Medical Payments or Personal Injury Protection (PIP)**—Provides reimbursement for medical expenses for injuries to you or your passengers. It will also cover lost wages and other related expenses.
- **Uninsured Motorist Coverage**—Reimburses you when an accident is caused by an uninsured motorist—or in the case of a hit-and-run. You can also purchase underinsured motorist coverage, which will cover costs when another driver lacks adequate coverage to pay the costs of a serious accident.

Even if these types of coverage are optional, consider adding them to your policy for greater financial protection.

## OPTIONAL COVERAGE

- **Collision**—This optional coverage reimburses you for damage to your car that occurs as a result of a collision with another vehicle or other object—e.g., a tree or guardrail—when you're at fault. While collision coverage will not reimburse you for mechanical failure or normal wear-and-tear on your car, it will cover damage from potholes or from rolling your car.
- **Comprehensive**—This provides coverage against theft and damage caused by an incident other than a collision, such as fire, flood, vandalism, hail, falling rocks or trees and other hazards—even getting hit by an asteroid!
- **Glass Coverage**—Windshield damage is common, and some auto policies include no-deductible glass coverage, which also includes side windows, rear windows and glass sunroofs. Or you can buy supplemental glass coverage.

**For a complimentary review of your auto insurance policy, call Thorp & Trainer at 596.0146.**


## DISTRACTED DRIVING

*Distractions increase your teen's risk of being in a crash.*

Don't allow activities that may take your teen's attention away from driving, such as talking on a cell phone, texting, eating, or playing with the radio.

Learn more about distracted driving.


## DROWSY DRIVING

*Young drivers are at high risk for drowsy driving, which causes thousands of crashes every year. Teens are most tired and at risk when driving in the early morning or late at night.*

Know your teen's schedule so you can be sure he or she is well rested before getting behind the wheel.


## DRIVER MATURITY

*Research shows that teens lack the experience, judgment, and maturity to assess risky situations.*

Make sure your teen knows to follow the speed limit and adjust their speed to match road conditions.

Remind your teen to maintain enough space behind the vehicle ahead to avoid a crash in case of a sudden stop.


## IMPAIRED DRIVING

*Even one drink will impair your teen's driving ability and increase their risk of a crash.*

Be a good role model—never drink and drive.

Reinforce this message with a Parent-Teen Driving Agreement.

Learn more about impaired driving.

Get the stats on teen drinking and driving.

THORP & TRAINER
INSURANCE
*Since 1910*

107 Airport Road
Westerly, RI 02891

p. 401.596.0146
f. 401.596.7132

*www.thorptrainer.com*



**PROTECTING THE FAMILIES, HOMES AND BUSINESSES OF OUR COMMUNITY SINCE 1910**

## Riskiest Dog Breeds for Homeowners and Renters

If you own one of the 11 "riskiest" dog breeds you may face some big homeowner's or renter's insurance headaches. Insurance companies simply do not want to deal with a potential lawsuit if someone gets bitten or hurt by your dog while they're in your home. Oftentimes, the insurance company can deny you coverage because of the type of dog you own.

In order to secure homeowners or renters insurance, and keep your dog at the same time, you will have to find an insurance carrier that will cover your dog. Furthermore, since multi-policy discounts for homeowners and auto insurance depend on having both policies with the same company, this could mean you now need to change auto insurers.

The rules on which dogs an insurance company will cover and which they won't vary from company to company. Below is a list of dogs companies prefer not to cover:

1. **Pit Bulls & Staffordshire Terriers**
2. **Doberman Pinschers**
3. **Rottweilers**
4. **German Shepherds**
5. **Chows**
6. **Great Danes**
7. **Presa Canarios**
8. **Akitas**
9. **Alaskan Malamutes**
10. **Siberian Huskies**
11. **Wolf-hybrids**

To avoid insurance problems, consult with your Thorp & Trainer agent by calling 596.0146 to make sure the breed you are considering is covered.

## Sausage & Potatoes

### Ingredients

4 pounds hot or sweet sausage, cut in one inch links

5 pounds potatoes, large cubes

2 green or red peppers, cut in one inch pieces

1 package mushrooms, diced

1 large red or yellow onion, sliced

Crushed garlic, lots!

Olive oil

Crushed red pepper flakes, as desired

Salt & Pepper, as desired

Deep casserole dish

### Directions

- Cover bottom of casserole dish with olive oil, place crushed garlic in olive oil and stir, layer sausage on bottom, then veggies, and potatoes on top. Season as desired.
- Cover with foil, stir occasionally, make sure potatoes are soft, last half hour, take cover off and let get dark on top.
- Bake at 350 degrees about 1.5 hours.