



# Managing Risk

A GUIDE TO INSURANCE

# Overcoming a Severe Storm

Any business owner who has gone through a natural disaster can relate to the absolute freeze it can put on not just their company, but their overall lives.

Damage to buildings or disruption to their home lives can make “business as usual” a tough thing to pull off.

There are many things to consider when overcoming a natural disaster that impacts your business. First and foremost, think of your safety and the safety of your employees. The overall integrity of your building should be next on your list of things to check.

Work with local insurance professionals to make sure you have a plan in place before disaster strikes can help keep you in action versus being sidelined.

## WHAT DOES A PLAN LOOK LIKE?

If there is a possibility of long-term disruption to your business, putting together a contingency plan is critical. Proper preparation is key to quickly recovering from damage and minimizing the overall impact on your business.

Your plan should include the accommodation of employees and the transition into a temporary location that will help you keep business running.



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You should also understand which local insurance and emergency relief agencies you'd be working during response efforts to help save time in the face of a stressful post-disaster situation.

Work with your local insurance providers to make sure your company's plan is in place, and that it's easy to fol-

low in a moment's notice.

## TAKE ACTION

Once you have created plans to respond to disasters, it's time to put into place all of the necessary parts of your plan.

Follow these examples of advance preparations from the Better Business Bureau:

- Have backups of important

information. This may include insurance documentation and computer hard drive backups to make sure you don't lose valuable data that is crucial to your business.

- Store spare equipment off-site. (This depends on the type of business you are running.)
- Have copies of disaster and recovery plans for all employ-

ees so there are no communication gaps if disaster strikes.

- Make arrangements for alternative workspace or backup locations.

Follow these tips and be sure to sit down with your local insurance agents should you need to make any changes to the structure of your policy moving forward.

# Protecting your Identity

If you keep a close eye on the news, you understand the risk that cyber attacks pose to individuals, businesses and the government.

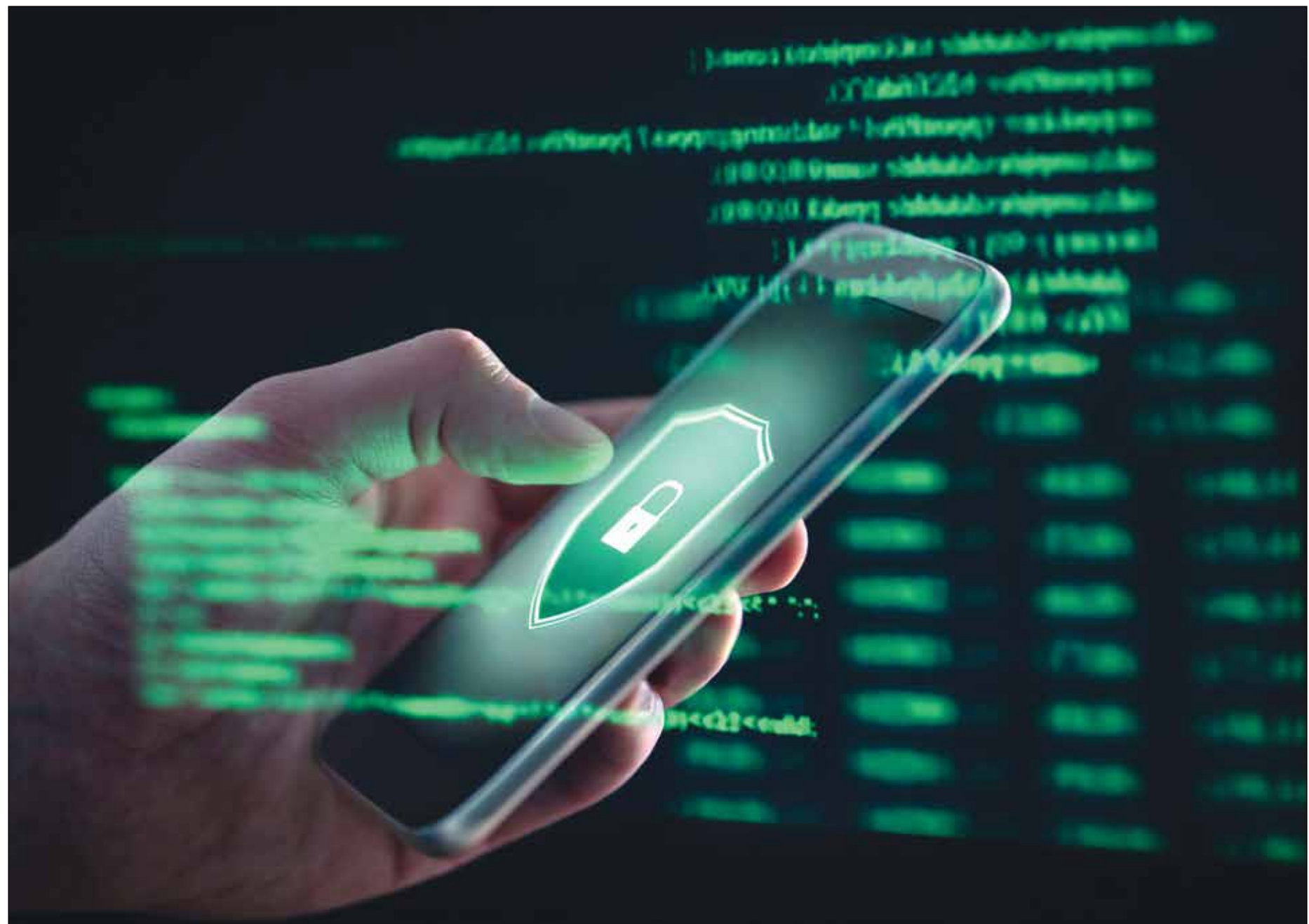
Identity theft is a type of crime where someone's personal and financial data is obtained and used without their permission. A cyber attack takes place when identity thieves use personal or organizational information to do things like apply for credit cards or loans in their name, take money from bank accounts, or file fraudulent tax returns, among other things.

The hardest thing about preventing cyber attacks or identity theft is understanding where they may come from. Fortunately, there are local insurance and risk management professionals who are trained to protect you from such attacks.

Set up a meeting with your local office to find out what kinds of personal insurance they offer in the realm of identity protection and cyber attacks.

## HOW TO RECOGNIZE SIGNS OF IDENTITY THEFT

The first step to stopping online attacks is identifying the warning signs. Here's what to look out for, from a



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recent public service announcement put together by Experian:

- You no longer get your household bills in the mail. An absence of bills in the mail could mean your personal data has been compromised, and the identity thief has changed your billing address to try to keep you from seeing your statements.
- You've been turned down

for a loan or credit card. If you're approved for a loan or credit but at higher interest rates than you expect, that's also a sign you may have been victimized by identity theft.

- You're being billed for items you didn't purchase.
- Your financial accounts show charges you don't recognize.
- A tax return was rejected. These situations will

require your immediate attention. Take care of the issue, and take steps to prevent it from happening again with the help of your local insurance and risk management professionals.

## HOW TO STOP IDENTITY THEFT

Experian recommends taking the following steps to better protect your personal

information:

- Password-protect your devices.
- Use a password manager.
- Watch out for phishing attempts.
- Never give out personal information over the phone.
- Regularly check your credit reports.
- Protect your personal documents.
- Limit your exposure.

# Choose a Local Auto Insurer

When you search for the best auto insurance policy, it's best to get a quote from at least three companies. Experts recommend that you rely on local branches to find the best potential rates.

Immediately, you will notice is that local companies can be much more personable versus interacting strictly online through digital forms and questionnaires. Having a local agent with a nearby company can help ensure close contact and give you the confidence that you'll receive personalized, consistent service.

Many national auto insurance companies rely on toll-free numbers and call centers, making it harder to find the support you're seeking. That being said, many national brands have localized offices for that reason — to give you strong support in your own backyard.

## NATIONAL VERSUS LOCAL BRANDS

Here are some things to look for when shopping around for auto insurance rates:

- **Competitive rates.** With less overhead, your local insurer might be able to offer reduced insurance rates, espe-

cially if you bundle your other insurance policies with them. This can lead to long-term, increased savings.

- **Communication.** A local insurer might be better in terms of the customer service they are able to offer, thanks to local brick and mortar locations.

- **Technology.** Many local agencies with bigger brands behind them are able to offer

advanced technology and online systems. This can help make things convenient for you as you need to update your policies.

## COVID-19 RELIEF

Events and travel are opening back up, but many providers may still offer auto insurance reimbursements for policyholders.

Brokerages started offering

these types of programs in 2020 to provide customers portions of their monthly payments due to the travel restrictions and decreased amounts of driving during the COVID-19 pandemic. And local brokers may be more likely to keep these programs going, especially in communities where leaders are still more cautious in terms of pandemic protection.

When shopping for a new policy, ask what kinds of pandemic relief plans the company has in place.

You should also inquire about any other deals or policy reduction policies they offer. Every dollar counts when trying to lower your overall monthly expenses, and your local provider will do everything in his or her power to keep your business.



# Find a Great Local Agent

When looking for new insurance or managing your current policy, an experienced local agent can be your secret weapon.

Here's why:

- They know the area and the needs that you or your business have.
- They depend on your business and will go above and beyond to keep their company going.
- They are able to often-times able to offer more competitive rates than the large, national brands.
- They are a local business, and local businesses have been proven to pump more money back into your community than bigger box store brands.

Whether you're looking for home, life, automotive or business insurance, depending on a local agent can be your best bet. But how do you find a good local insurance agent, especially if you're starting from the beginning? Read on for tips on landing the perfect local agent for your insurance needs.

## ASK YOUR NETWORK

Good referrals travel fast, especially when it comes to small local business. Use your social media following to ask who they use for local insurance needs. You'll be sur-



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prised by how many people are willing to share their experiences. The best part about local referrals is that they come from customers, not the company. This means their recommendations are genuine and most importantly, localized.

## INTERVIEW PROSPECTIVE AGENTS

When shopping for a new

agent, be sure to interview a few before making your final decision. To help with your shopping experience, here are some questions to kick off conversations with your new potential agents:

- How long have you been selling insurance locally?
- What kind of industry credentials do you have?
- Are you a direct agent or an independent agent?

• What specific coverages do you offer and what are your typical rates?

• What areas do you specialize in?

• Can you provide customer references?

As a follow-up point to the second question above, there are many industry credentials to consider.

Look for agents with advanced designations such

as Chartered Property Casualty Underwriter, Certified Insurance Counselor, Chartered Life Underwriter or Accredited Adviser in Insurance. This will ensure they will be ready to help you as your insurance needs shift and evolve, and it proves that they are focused on making sure they are up to speed on the industry's requirements.



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# Life Insurance and Estate Planning

Shopping for life insurance doesn't have to be an overwhelming experience, especially once you find a great local agent to help.

Your main goal for getting life insurance should be to protect your beneficiaries financially in the event of your death.

This peace of mind provides a level of security that family members will be taken care of. Due to this, by the time you choose your policy, you can have confidence in the policy's ability to sup-

plement your estate planning strategy.

## WHAT IS ESTATE PLANNING?

Proper estate planning allows you to manage your assets while you're alive and plan exactly how you'd like them distributed when you die. Estate planning strategies are different for everyone. Various factors include your estate, age, wealth, health, lifestyle and more.

Some estates require just a simple will to decide how assets will go to the heirs. Complex financial situations call for more specific instructions that a qualified local financial planner or insurance agent can help determine.

Purchasing a life insurance policy as part of your estate planning process will

help your beneficiaries maintain a good standard of living without you.

## LIFE INSURANCE BENEFITS IN ESTATE PLANNING

If you have a large amount of assets — including a house, vacation property or jewelry — when you die, your beneficiaries may owe estate taxes when settling your estate. They may be saddled with a large tax bill. Work with your local financial planner or insurance agent today to make sure these types of situations do not crop up in the future.

## IRREVOCABLE LIFE INSURANCE TRUSTS

An irrevocable life insurance trust is

an arrangement that many people employ when transferring their wealth in a tax-friendly way. With this strategy, you buy a life insurance policy for yourself and transfer it to the ILIT. Your heirs are made beneficiaries of the trust and the proceeds of the insurance policy are distributed to them after your death, usually tax-free.

Without an ILIT in place, the death benefit from your policy will be included in your gross estate and could be subject to estate taxes. These are serious financial decisions with real-life ramifications, so make sure you've got all the information needed to make an educated choice on what types of policies and accounts to set up.

# Home Insurance: By the Numbers

The majority of homeowners in the U.S. have homeowner's insurance, and policies cost an average of \$1,445 per year, according to a 2020 study by Lending Tree.

While these numbers may not surprise you — most mortgage brokers will require some level of homeowner's insurance there are many things to consider before choosing a policy for your home.

Let's first explain the basics of home insurance and how it impacts your bottom line as a homeowner. These types of policies generally provide coverage for damage to a home's structure, damage to your personal property and liability coverage in case you're considered at fault for property damage or bodily injuries.

## BY THE NUMBERS

Here are some statistics from various sources that tell the story of today's homeownership landscape. You can use this information to better inform yourself and take control of finding the best agents and policies available to you in your area.

- 47% of homeowners are unsure of what their insurance covers, according to the Lending Tree report.



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- J.D. Power similarly found that 52% of homeowners don't have a complete understanding of their coverage.

- A survey by Marshall & Swift/Boeckh found that 60% of homes are undervalued with regard to insurance, with an average undervaluation of 17%.

It's up to you as the homeowner to understand your policy, how to utilize it, and how to make sure your insurance agent is sharing the right type

of information with you. If you're in the percentage of homeowners who are in the dark about their policies, it's time to set up a meeting with your local insurance agent to get a better grip on what you're paying for.

## INSURANCE CLAIMS

- The average payment per homeowners claim in the U.S. was \$8,787, according to data from the Insurance

Research Council.

- There were five claims filed and paid per 100 insured homes in the last year.

- Claim frequency has decreased over the last two decades, whereas claim severity, the average amount paid per claim, has increased significantly.

- The most common causes of home insurance claims, from an analysis of Travelers Insurance policyholders, are

wind, non-weather water damage, hail, weather-related water damage and theft. Altogether, these five causes make up 77% of all homeowners' insurance claims.

Understanding the claims process will help you navigate through it should you need to put it to work for you and your family. Homeowners who are more lax about their policies may find making a claim a difficult experience.

# Benefits for Disabled People

When it comes to risk management and insurance benefits, people with disabilities may have multiple options to choose from.

The Social Security and Supplemental Security Income disability programs are the largest of several federal programs that provide assistance to people with disabilities. While these two programs are different in many ways, both are administered by the Social Security Administration and only individuals who have a disability and meet medical criteria may qualify for benefits under either program, according to the SSA.

When you apply for either program, the SSA will collect medical and other information from you and make a decision about whether or not you meet Social Security's definition of disability.

## HOW TO APPLY

According to the SSA, you should apply as soon as you become disabled. Here are a few pointers to keep in mind:

- Social Security Disability Insurance benefits have a five-month waiting period, which means that benefit payments will not begin before the sixth full month of disability. The SSDI waiting period begins the first full



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month after the date we decide your disability began.

- There is no waiting period if your disability results from amyotrophic lateral sclerosis and you are approved for SSDI benefits on or after July 23, 2020.

- Supplemental Security Income disability benefits are paid for the first full month

after the date you filed your claim, or, if later, the date you become eligible for SSI.

You can apply for disability benefits online, or if you are unable to complete the application online, you can apply by calling the SSA's toll-free number, 800-772-1213, between 8 a.m. and 7 p.m.

People who are deaf or

hard of hearing may call the toll-free TTY number, 800-325-0778, between 8 a.m. and 7 p.m., Monday through Friday.

## DENIED APPLICATIONS

If your application is denied for medical reasons, do not be discouraged. You can complete and submit the required

appeal request and appeal disability report online. The disability report asks you for updated information about your medical condition and any treatment, tests or doctor visits since the decision was made.

Be sure to contact the SSA if you have any questions regarding their programs.