

FELTON, BERLIN & ERDMANN

INSURANCE SERVICES, INC.

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Welcome



I am pleased to send along our quarterly newsletter.

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

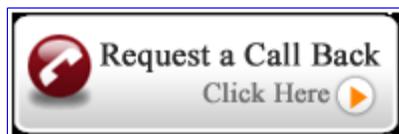
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What's New This Month

Insure Your Boat In and Out of the Water

Top Habits and Misconceptions That Make The Roads More Dangerous

Why Affluent People are More Prone to Being Sued

Insure Your Boat In and Out of the Water

Millions of Americans take to the water each year during boating season, traveling the coastlines, rivers, lakes and canals all over the country. The watercraft range from simple rowboats to jet skis to small motorboats to luxury yachts. Boat owners spend significant amounts of money buying and maintaining their boats. The need for insurance protection when the boat is on the water is obvious, but many boat owners question the need for it during the off- season. However, insurance is just as important when the boat is in storage as when the owner is using it.

A typical boat insurance policy provides a package of coverages, including:

- * Damage to the boat, motor, and trailer;
- * Damage to portable property used in the maintenance and operation of the boat, including things like anchors, life jackets, oars, tools, skis and surfboards, lights, and fire extinguishers;
- * Damage to other types of property, including sports equipment, clothing, and other personal effects;
- * Damage to equipment on shore, such as boat covers;
- * The cost of recovering a sunk or stranded boat;
- * The cost of emergency service and towing;
- * Damage to non- owned or substitute boats;
- * Loss of fishing tackle;
- * Liability coverage for injuries or damages for which the boat owner is legally responsible; and
- * Coverage for injuries the boat owner or others on the boat suffer in an accident with an uninsured watercraft.

A boat owner will need these coverages if her boat gets into a collision with another boat, or if thieves steal scuba gear from it, or if fire damages the motor. However, losses are still possible while the boat is out of the water. Progressive Insurance reports that nearly two out of every 10 boat claims it receives from northern states occur between Labor Day and Memorial Day, when most owners are not using their boats much. Some examples of losses that could occur:

- * The storage building housing the boat over the winter burns to the ground.
- * Vandals damage the boat in the middle of the night while it's in the owner's driveway.
- * A neighbor's child, playing in the owner's yard, runs into the boat stored there and injures his head.
- * Someone steals the boat and its trailer from the yard at a repair shop.
- * While the boat is stored in the yard, heavy snow melt causes a flash flood that damages the boat's interior, including the mechanical system and the radio.

Some insurance companies offer "disappearing deductibles," where the deductibles for collision and damage losses from other causes decrease by a certain amount for every claim- free year the policyholder has. Those companies will grant this benefit only to boat owners who keep their insurance continuously in force with them.

A professional insurance agent can provide advice on the types and amounts of coverage a boat owner needs. She can also recommend insurance companies that have expertise in boating, good claims- paying practices, and reasonable prices. Insuring a boat all year round can be expensive, but compared to the cost of a large uninsured loss, it may well be worth the cost.

Top Habits and Misconceptions That Make The Roads More Dangerous

In recent years, motor vehicle deaths have increased significantly. The National Safety Council pinpointed some of the most common beliefs and behaviors of drivers that put everyone on the road at risk. During the past year, NSC surveys were collected to show the surprising rates of dangerous habits and opinions. Researchers said that these could especially explain why fatalities were on the rise. They also said that their findings showed the urgency of promoting awareness of misconceptions and dangerous habits.

Experts said that while most drivers understand the basic dangers and risks on roadways, they do not take the proper steps to make their own driving habits safer. Many people still believe that bad things are more likely to happen to other drivers than to them. This is even true among drivers who admit to driving distracted. Many believe that they can safely manage distractions such as using a cell phone while driving. These were some of the top dangerous habits of American drivers according to the research report:

- More than 45 percent of drivers said that it was safe to send text messages using voice dictation or manual input.
- More than 70 percent of drivers said that they could drink three alcoholic beverages before they were too impaired to drive.
- Approximately 35 percent of teens admitted to checking their social media notifications or interacting on social media while driving.
- More than 15 percent of teens who were in accidents said that their own distractions were the cause of the crash.
- More than 30 percent of drivers felt that they could drive safely with fewer than four hours of sleep.
- Nearly 15 percent of drivers admitted to using marijuana while driving within the past month.
- More than 30 percent of drivers felt that new vehicles could practically drive themselves and did not require as much concentration to operate.
- While only 25 percent of drivers felt that their own distractions were dangerous, nearly 70 percent said that they were concerned about the risky behavior of other drivers.
- About 45 percent of people said that they felt compelled to check cellphone notifications while driving because of demanding employers, and about 45 percent of those who reported feeling this way had crashed within the last few years.

The official awareness month for distracted driving is April. Council researchers try to remind motorists every year of the dangers of distracted driving and the realities of just how unsafe popular misconceptions are. To learn more about staying safer on the roads, speak with an agent.

Why Affluent People are More Prone to Being Sued

Because affluent people basically have a lot to lose, they make attractive lawsuit targets for attorneys who represent injured parties. This is why it is extremely important for the affluent to consider their insurance very seriously. Nobody wants to lose their entire net worth and future wages because of a very bad incident. However, this risk must be addressed before an incident happens and before it is too late to get coverage. There is no legal way to pre-date a coverage change, and dealing with a shortfall of insurance is very unpleasant and a life altering experience.

What can Happen?

All one has to do is go to [Google Scholar](#) to view the thousands of cases that have judgements of more than a million dollars. Although the most common incident is an auto accident, lawsuits can arise from a myriad of circumstances ranging from swimming pool drownings to social media libel accusations and everything in between. Whether incidents are legitimate or not, people know that affluent people have money, and, because of this, they are good targets.

Is Bankruptcy a Way Out?

Bankruptcy is not for everyone. It is harder for affluent people to be discharged in bankruptcy, because courts do not grant bankruptcy to those whose assets exceed their debts. Asset movements can be traced, and hiding money is not a solution. Even if a wealthy person qualifies for bankruptcy due to a very large judgement, the person will still lose much of his or her assets, and the person's credit will be damaged for at least 7 years. Bankruptcy can also adversely impact a person's employment, especially if the person's employer can perform an employment credit check. Bankruptcy can also affect business owners, because it hinders their ability to get loans or reasonable interest rates. For such people, if bankruptcy is even an option, it is a very bad option.

Attorneys

When there is more at stake, attorneys will spend more time on a case. Attorneys in these cases often work for a contingency of about 30%. Consequently, they have a lot of skin in the game. They have a lot to go after, which includes your assets and your wages. They can wear you down until they get what they want or what they think the case is worth. They can emotionally drain you through this process. If they do not get what they want, they will file a lawsuit against you, which can put you in a difficult situation.

How to Protect with Insurance

Insurance effectively applies in serious incidents only if you have a lot of coverage, which means an umbrella policy that covers you above and beyond the amounts of coverage provided by your auto and homeowners liability policies. The more coverage you have, the more protection you have against losing your assets and having your wages garnished. Affluent people should carry at least 5 million dollars of umbrella insurance coverage, although a few insurance companies offer 50 million dollars of coverage or more for the very wealthy. There are no rules about how much coverage you should get, and getting only the amount of your net worth may not be enough, since injured parties can still come after you once your insurance company has paid its policy limits. It is wise to discuss coverage amounts with an attorney and your insurance agent. Nevertheless, it is necessary for affluent people to purchase an umbrella policy.

Legal Protection

The best part about an umbrella policy is the legal protection that you will receive from Insurance companies and their attorneys, who know how to manage these incidents. Actually, insurance companies on average spend significantly less than someone would on their own, simply because they have the experience and expertise to handle these claims. They will manage your case and will pay damages up to your policy limits. This takes a significant load off of everyone who has the misfortune of enduring this process.

Successful people have too much going on in their lives and too much to lose. This is why it is extremely important to address insurance issues as your finances change and not to wait for a serious incident to turn your life upside down.

The purpose of this newsletter is to provide information about industry trends and news of general interest to our clients, potential clients and other professionals. Information about product offerings, services, or benefits is illustrative and general in description, and is not intended to be relied on as complete information. While every attempt is made to ensure the accuracy of the information provided, we do not warrant the accuracy of the information.