

# Insights & Updates

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## Insuring your backyard barbecue

Did you install a pool in your backyard and decide to host a summer barbecue? Before inviting people over, double-check that you have the right insurance coverage.

### In-ground and above-ground pools

Pools—whether in-ground or above-ground—are structures. Typically, structures are covered for 10% of the dwelling limit. This limit may be increased if it's not sufficient. Homeowners should inquire about covered perils and how these structures will be valued if they are damaged.

**Liability for swimming accidents.** Homeowners with pools should ensure they have adequate personal-liability coverage in case there's an accident when people are in or near the pool.

### Grilling

Before grilling, homeowners should take precautions to avoid accidents that can cause injury. It's important to check grills for cracks, leaks or breakages before barbecue season starts. Grills should be kept on level surfaces and not on a wooden deck—especially a roof deck (illegal in many cities).

If a barbecue causes property damage, a homeowners policy can cover it as a covered peril. Injuries to guests can be

covered under the personal liability section of the policy.

### More on injuries, liability

The likelihood of injuries rises if alcohol is served. While homeowners insurance can provide some liquor liability for gatherings, it may be limited and insufficient for certain exposures. In New Jersey, hosts may not serve alcohol to a visibly intoxicated guest—regardless of age—if it's reasonably foreseeable that the guest is about to drive.

This can make homeowners liable if friends drive home drunk from gatherings—something to beware when serving alcohol. To mitigate risk, hosts should watch for signs that guests have had too much to drink, and should slow them down or cut them off.

To occupy kids, homeowners may consider an inflatable bouncy castle. These also can cause injuries and homeowners may be liable, even if parents sign waivers. Homeowners should ensure that their policies cover bouncy castles and other temporary structures. Specialty insurance also can cover bouncy castles.

### Give us a call

Backyard barbecues are as American as apple pie, but they can lead to costly liabilities. Do you know how your homeowners policy covers you? Did you add a pool to your property? Give us a call.



# Let's talk about condo insurance



Owning a condo presents some unique insurance issues. Unlike with a house, the insurance responsibility for condos is spilt between more than one party—the condo association and the condo unit owners. So, what are the insurance responsibilities of both?

## Master Condo Insurance

The condo association instruments (i.e., covenants, declarations, bylaws) establish the insurance obligations for the association and unit owners. Various types of insurance are obtained by the association board and the premiums are paid for by all condo owners through fees or assessments.

The association's obligations for insuring buildings and structures on a Master Condo Insurance Policy will vary according to state law and the association instruments. Generally, there are three levels of coverage:

**1. Studs-out coverage.** This will provide coverage for roofing and exterior walls, as well as the more invisible aspects of

a condo's structure like piping, wiring and insulation.

**2. Single-entity coverage.** This provides coverage for fixtures in a condo unit—such as original countertops and light fixtures—in addition to studs-out coverage.

**3. All-in coverage.** As the name suggests, this is the most robust of the three coverages because it includes studs-out and single-entity coverages.

Typically, all-in coverage will cover built-in appliances (e.g., dishwashers, garbage disposals) and improvements that condo owners may make to their condos.

## Condo insurance

Condo owners should be aware of what insurance coverages are offered through a Master Condo Insurance Policy, because that will directly impact what condo owners need to insure separately under a unit-owners homeowners policy (i.e., an HO-6 policy). This policy covers dwelling and other structure items not

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covered by the association policy, as well as the unit owner's personal property. Additionally, it covers personal liability, certain loss assessments made by the association and additional living expenses when forced to move to a temporary location (e.g., a hotel) if/when the condo unit is damaged and uninhabitable.

Do you have questions about condo insurance, or do you need to purchase or review a condo policy? Contact our office today. We are happy to help you.

# Drive safely, save more



As of 2021,  
**69% of drivers**  
are willing to share  
driving data  
(up from 50% in 2019)

**52.5 million**  
U.S. drivers are  
forecasted to buy  
**UBI coverage**  
by 2023

Most drivers **prefer**  
**data** to be collected  
through **Black Box**

When motorists have exceptional driving skills (i.e., they drive safely), they may be able to get their auto insurance rates assessed based on how they drive. This kind of auto insurance is called usage-based insurance—some insurance companies offer it, some do not. But, if drivers can get it, they may get lower rates for their coverage.

## How UBI works

To get a UBI rate, drivers and their insurance companies can employ certain technologies that measure different aspects of their driving. There are several types of technology that can do this, including:

- GPS,
- vehicle systems (e.g., OnStar),
- smartphone apps provided by the insurance company, and
- windshield tags (connected to a smartphone via Bluetooth and attached to the front or rear windshield).

These technologies measure myriad aspects of a person's driving habits, including:

- speed and acceleration,
- mileage,
- braking (hard braking in particular),
- hard turning,
- the time of day/night the vehicle is operated, and
- driver phone-use.

In addition to a person's driving skills, certain criteria like location, vehicle type, credit scores and driving records still may be used to determine UBI rates. Typically, driving skills are measured over a period of time, after which drivers may get a lower rate on their auto premiums.

## Where it stands right now

Research from TransUnion finds that 49% of drivers who are offered the option to have their driving skills assessed (to be eligible for lower rates) opt-in. However, some drivers may choose to opt-out if they aren't comfortable with their driving being tracked.

Additionally, of the drivers who opted to let their insurance companies assess their driving, 64% of them were either "very satisfied" or "extremely satisfied" with the practice.

## Give us a call

If you're interested in a UBI program, let us know. We can help you find out if your auto insurer offers UBI (or if there's another carrier that offers it), and determine whether you are eligible for UBI assessment and enrollment. Give our office a call today. We look forward to hearing from you!

# Hurricanes and floods: 10 facts people should know

During hurricane season—which runs from June 1–Nov. 30—flood insurance is essential. Even low-to-moderate flood-risk zones are susceptible to flooding.

10 facts about hurricanes and flood insurance:

1. Hurricanes don't affect just coastal regions. Last year, Hurricane Ida made landfall in Louisiana, but disastrous effects reached the Northeast—over 1,000 miles away.
2. Roughly 33% of flood claims come from low-to-moderate flood risk regions.
3. Flooding is the biggest threat to inland areas. In 2017, Hurricane Harvey dropped more than 27 trillion gallons of water on southeast Texas and flooded an area equivalent in size to New Jersey.
4. Hurricanes are costly: Hurricane Katrina—the costliest in U.S. history—caused \$65 billion in
5. insured losses in 2005, which would cost nearly \$95 billion today.
5. Drowning is the leading cause of flood-related deaths—more than 1,800 people died during Hurricane Katrina.
6. According to the National Hurricane Center, there's an average of 14 named storms, seven hurricanes and three major hurricanes every year—but these numbers are trending upward.
7. Flood insurance can help cover damage from floods, but this coverage is separate from homeowners and renters policies.
8. Flood policies take 30 days to go into effect. If you don't have flood insurance, talk to your insurance agent now.
9. Flood policies can be purchased through the National Flood Insurance Program or private flood



insurance companies.

10. People can determine their flood risks, insurance requirements and costs through the NFIP's Risk Rating 2.0 flood-premium rating methodology program.

Flood insurance is essential to protect property from water damage caused by floods—and since hurricane season is underway, the time to talk to us about it is now.

## News from our agency

### We don't let you down

When times get hard, we don't let you down.

We know how drastically the COVID-19 pandemic affected your day-to-day routine. Those affects still may be reverberating. Before, during and after—we keep our promise to be here for you, every step of the way, no matter what.

You are essential to us. Give us a call, send us an email or pay us a visit—we look forward to hearing from you.

