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NEWSBLAST

Snow and Water Damage this Spring

Warmer Weather ... Ice Dams and Spring Flooding

With so much snow this winter already, ice dams are a huge problem for many people. An ice dam is a ridge of ice that forms at the edge of a roof and prevents melting snow (water) from draining off the roof.

As that water builds up behind the ice dam that is created, it can flow under shingles and leak into your ceiling and wall cavities.

Ice dams are 100% preventable with proper roof insulation and ventilation.

If snow and ice are already forming on the roof edges, you should use a roof rake to remove as much snow as possible from the roof edges while remaining on the ground below for safety.

You can also purchase electric roof tape strips that can be used to melt ice as needed. There are also many homemade ice removal remedies you can find online.

Ice dams are considered a covered claim under most policies, but they are also

preventable. Remove the snow and ice from the edges of your roof to prevent the interior water damage that can occur.

Before a claims adjuster will schedule an inspection, you will be required to remove the snow and ice causing the ice dam. Removal of the ice dam is not covered by insurance. Being proactive now, will greatly reduce the need to file a claim.

It will also save your \$1,000 (or more) deductible and means no dealing with contractors and/or making repairs. Take action now to prevent a problem before it causes damage and costs you \$\$.

Flood

Damage caused by above ground water is only covered by a separate flood policy.

Water that causes damage to your house and that originates from below ground is not covered under a flood or home policy.

Most home policies do allow you to add coverage for water/sewer backup if a sump pump fails (mechanically or a loss of power), and ground water enters your house via your sump basket.

If ground water enters your house/ basement without a sump pump failure, there is likely no coverage.

Checking your sump pump is important. Replacing an old pump for \$300 can save you from paying a much higher deductible and cleaning up a large mess.

Flood insurance is offered both by FEMA for everyone, and by private insurers to specific homes and locations.

Please keep in mind that all flood insurance policies have a 30-day waiting period. If you feel that you might have a flood risk or a general water risk, please act now. ❖



**The Insurance Shop**
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Homeowner's and Auto Insurance

Repair Costs, Disasters Hit Insurance Premiums

There are many variables causing insurance premiums to rise, both nationally and locally.

Below we look at both auto and home insurance and what is driving rate increases.

Auto

The incredible rise in both new and used auto prices has greatly affected claims costs. A large factor in determining auto premiums is the cost of replacement cars.

The cost of a claim is also affected by delays in repair parts and increased labor rates. A delay in repairs also increases the cost of a car rental, which has tripled in the last two to three years.

The increased cost of what used to be considered a "simple" repair is also impacting insurance premiums. A basic windshield repair that was \$500 a few years ago, is now \$900 because of the additional cost of "calibration."

On most newer cars, when a new windshield is installed, the optical safety sensor (pedestrian cross traffic, back up, etc) requires a technician to re-calibrate the sensors to work with the new windshield.

That cost now equals the install cost of the glass in many cases. The same is true with a bumper.

A minor fender bender now costs \$1,000's because of the sensors and cameras mounted inside the fender.

Home

With increased home values comes increased repair and claims costs. The largest storm in terms of cost prior to this past summer in Minnesota happened in June 2017. The average roof replacement cost was just under \$16,000 in 2017.

This past summer, we witnessed four storms that individually each exceeded the June 2017 storm, with roof replacement costs averaging just under \$35,000. Those numbers are roof only and do not include siding. Adding more pressure have been large storm events in Iowa and southern Wisconsin.

Another factor that is starting to have an impact is water losses in older homes. The future hope is that remote water monitoring technology and automated water shut off valves will prove to be a good preventative measure.

Specific trends in Minnesota

For the most part, hail events in Minnesota tend to cause more cosmetic damage than actual material damage. When you see pictures of a hail storm in Texas, Nebraska or Iowa, you often see softballs coming out of the sky. Those events cause significant material damage.

There is no doubt that most hail events will diminish the life span of a roof. The issue starts when it comes to replacing a roof that has 25% remaining life with a new roof at full replacement cost.

In most states, roofs are replaced up to 15 years and then are actual cash value on year 16, similar to how a car tire warranty is pro-rated.

Minnesota is seeing a large change in the marketplace with insurance companies adopting policies similar to other states.

More and more insurance companies in Minnesota are changing coverages to mirror how claims are handled in other states by limiting replacement cost on a roof, and introducing limits on matching roofing and siding.

Insureds need to understand these changes, and what is covered before the wind and hail hits. Please let us know if you have any questions about your coverages. ❖



Insurance Considerations When Getting Married

The last thing you want to think about when you are getting married is insurance, but as the big day draws near, you will be soon combining your assets and your risk – and your insurance policies should reflect that.

Homeowner's and renter's insurance

If you are getting married and you have either a homeowner's or a renter's policy, you may want to contact us about starting a jewelry rider for the engagement ring to cover it if it's lost or stolen.

Also, please remember that once you give the wedding ring to the other person, they will need to insure it instead of you. A basic principle of insurance is that you must have an "insurable" interest to buy insurance coverage. Insurable interest would be ownership, control, money, etc. If you gift the item, you no longer have ownership, control or an insurable interest.

Once you are married, you can combine coverages, with one spouse adding the other to their policy. This is also a great time to review your combined personal property for proper coverage.

Auto insurance

You can often save money by combining your auto insurance policies thanks to a multi-vehicle discount, but in some cases it may be less expensive to keep separate policies depending on claims and driving records.

Before deciding on combining policies, do a comprehensive review of what you both need as a couple. We are happy to provide advice and options based on vehicles. Remember, your needs as a couple might differ greatly as compared to when you were single.

Health insurance

This will probably be one of your biggest decisions, particularly if one of your employer-based plans includes an option to add a spouse. You should review your employer-sponsored plans for the best deal and consider having one spouse drop their

coverage at work in order to be added on to the other's coverage.

This review includes assessing the premiums and copays associated with each plan. If children are part of the package, or soon will be, you will also want to consider them when making your coverage decision.

Usually a spouse can be added to an employer policy at any time during the year because it's considered a "qualifying life event." In other words, you don't have to wait until the next open enrollment to make the change.

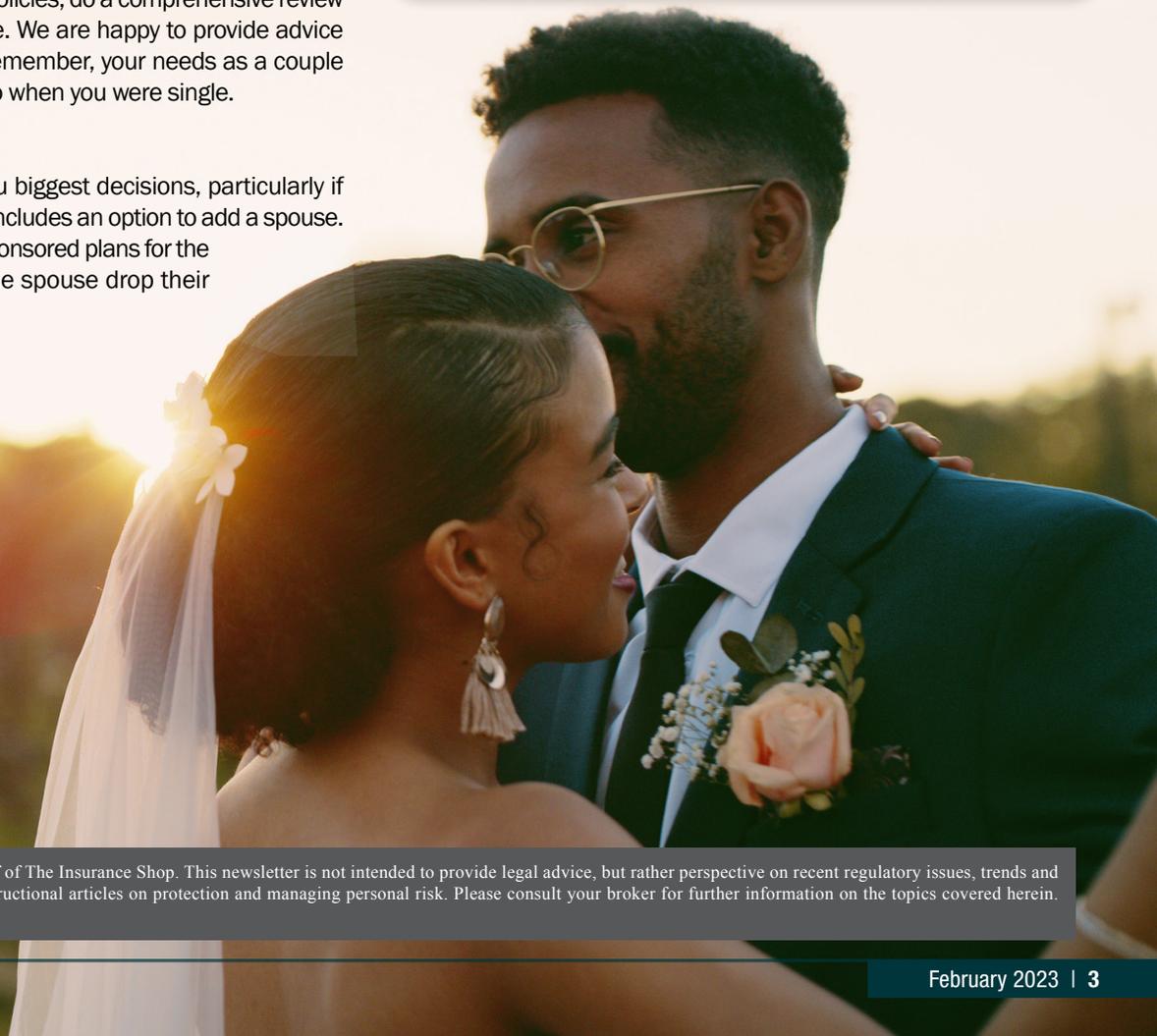
Life insurance

Once married, you should review your combined financial obligations to determine which type of policy is best for you and your spouse. You should also be naming your spouse as a new beneficiary.

If you don't have life insurance, now would be a good time to consider it. It can ensure that your spouse and future children can live comfortably should they suddenly lose you and your income. ❖

WEDDING PROTECTION POLICY

The Insurance Shop offers a unique customizable wedding protection policy with Travelers that also provides event liability including liquor liability.



Technology and Insurance

How Telematics Can Save You up to 40% on Auto Insurance

Telematics Programs Capture Your Driving Habits via a Mobile App to Reward Good Driving Habits

For many years, people have told us “I am a good driver,” or “I never have claims,” or that they only drive a few miles per year. Technology now allows drivers to comment, and in the near future even more features are coming that will truly customize your auto insurance premium to match the risk.

Auto insurance rates can be reduced with safe driving practices, and a telematics mobile app via your cell phone can give insurers real data on your driving habits.

While this technology is not new, the sophistication of the data that they collect is growing. Nationwide Insurance for example is offering the first true “pay per mile” insurance program. Insureds pay a base policy premium, and are then charged a per mile fee for each mile driven.

However, most telematics programs just monitor a few driving habits such as time of day, acceleration, hard brakes and cell phone use while driving.

Positive driving habits include daytime driving, non-rush-hour

driving and low acceleration (so as not to cause hard braking). Most programs provide an immediate 10% discount for trying the program at new business/renewal/midterm (Progressive is only at new business and renewal).

All programs will allow you to cancel within 30 days with only the loss of the initial 10% discount.

What are some of the common concerns that people have with telematics and monitored driving? The idea of being tracked is number one.

We understand that and to be honest, share many of those same thoughts. We also understand that our cell phone provider tracks our movements. All of our online searches and internet traffic patterns are monitored and sold to third parties for market research.

Our concerns lessen though when we consider lower auto insurance premiums and that most programs are only for a limited period of time.

Another example of this changing technology is Progressive’s recent announcement that in cooperation with vehicle manufacturers, Progressive will be able to provide a customized personal auto premium based on your specific driving data provided by your car maker.

We do not have all of the details yet except that GM and Toyota vehicles will be the first ones eligible, quickly followed by Honda, Subaru, Ford and others. The reality is that most of us are already being tracked. Please consider this option to save yourself money on your auto insurance. ❖

INSURERS WITH TELEMATICS APPS

- **Progressive Snapshot.** New business/renewal discount is 10% to try. Monitored driving lasts 90 days. Final discount is between -30% and 0%. Discount stays for life of the policy.
- **Travelers Intellichoice.** Discount is 10% to try the program anytime. Monitored driving lasts 90 days. Final discount is between -30% to +5%. Discount stays for life of the policy.
- **Nationwide SmartChoice.** Discount is 10% to try the program anytime. Monitored driving lasts 90 days. Final discount is between -40% to 0%. Discount stays for life of the policy.
- **Safeco Right Track.** Discount is 10% to try the program anytime. Monitored driving lasts 90 days. Final discount is between -30% to 0%. Discount stays for life of the policy.

WANT TO KNOW MORE?
CALL US! 651-714-5300