

The Don-Rick Insurance Pipeline

Baraboo

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News and Tips to Make Your Life Easier, Safer and Happier!

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Inside This Issue ...

How To Avoid Home Losses That You Must Pay Out Of Your Pocket! ... Page 1

Employers: Turn Your Workers' Compensation Premium Audit Into Big Savings ... Page 3

Are YOU the Client of the Month? See Page 2 to find out if you won!

Can Cruise Control Really Kill? ... See Page 2 Sidebar

"Gap Insurance" And Why It's Important

No offense, but you might have a gap in your insurance!

The word "gap" is used in many different circumstances in the insurance world. In this case, I'm talking specifically about car insurance.

When you buy a car and obtain financing on it, there are two values you need to be concerned with – your loan balance and the street, or blue-book, value.

All cars are instantly worth less than the sticker price when you buy them. Plus, the street value of the car could depreciate faster than you are paying off your loan – especially if the loan is for an extended term.

If you total the car, the insurance company is going to pay you the street value, not what you paid for it new and not what you owe on it.

That's how insurance works.

Therefore, it's possible that you

Who's To Blame For Unpaid Home Claims? How About ... Let's Not Have Any, Instead!

A man goes grocery shopping on a sunny Saturday morning. Along with many items to satisfy his diverse appetite, he throws a big bag of beautiful, fresh apples into his cart. He checks out, pays for the groceries and goes home.

A couple of days later, the man has a hankering for a plump, juicy orange. But he soon discovers there are no oranges in his bag of apples. He's extremely disappointed. So, what does he do?

He calls his attorney, and his attorney sues the grocer. The attorney claims the grocer should have offered oranges to the man. The grocer argues that if the man wanted an orange, he should have bought one. And the battle begins.

Ridiculous? Absolutely. But it happens every day in the insurance industry.

Of course, insurance is much more complex than fruit. But just like my apples and oranges story, people sometimes find themselves without the protection they need, when they need it. And then they discover something very upsetting ... the protection is available, but they did not buy it. They bought apples, and now they need oranges.

Who's to blame? That depends on the situation. Maybe the agent messed up. Maybe the policyholder declined the coverage. Regardless, I want to make sure you never get into a situation like that in the first place!

What Is An Insurance Policy ... Really?

Insurance is undoubtedly confusing and misunderstood. An insurance policy is not really a product you purchase. Rather, it's a contract you enter into with the insurance company. The policy spells out the terms of the contract, and those terms add up to one undeniable fact ... insurance does not cover everything.

Many people believe their "stuff" is protected and that's that. But there's more to the story. Your insurance protects your stuff against certain events, certain causes of loss – or perils, as the insurance industry calls them.

With home insurance, which I'm focusing on here, fire is a peril and earthquake is a peril and war is a peril. (There are countless others.) All three could destroy your home. But, of the three, only fire is covered by a basic home insurance policy. Damage caused by war or earthquake is not covered.

Optional Coverages

Protection against some perils – like war – cannot be purchased at any price. Insurance companies just don't sell it. However, protection against other perils

wouldn't receive enough money to pay your loan in full. The difference between the street value of your car and your loan balance is the "gap."

Gap insurance pays off the loan in full. Without it, you're coming up with that money from your own pocket. You can get gap insurance from the car dealer or from us.

Whichever you choose, it's a safe investment.

Want to know what your car is worth? Check it out at Kelly Blue Book online at www.kbb.com.

Can Cruise Control Kill?

We all drive in the rain or other slippery conditions sometime. But using your cruise control on wet surfaces is extremely dangerous.

You may have received chain e-mail about this topic that tells the story of a woman whose car allegedly flew in the air in Texas. The car was totaled, but she was OK.

I did some checking and found that the validity of the story is in question, but the danger of using cruise control on wet roads is VALID!

As you probably know, hydroplaning occurs when your tires actually lose contact with the road and are riding on a thin sheet of water. When this happens, your wheels are spinning with no traction.

The only way to stop this wheel spin and maintain control is to reduce power. However, an activated cruise control system will continue to apply power, keeping the wheels spinning!

By the time you disengage the cruise control you may have already lost control.

Hydroplaning STARTS at speeds as low as 35 mph, and at 55 mph you could be riding entirely on a sheet of water!

Please, follow these two simple, but life-saving safety tips. When the road is wet ...

1. Turn off your cruise control, and
2. SLOW DOWN and drive safely.
Posted speed limits are for dry road conditions.

normally excluded from a home policy – like earthquake – can (usually) be purchased as an optional coverage. This might be handled on a separate policy or as an endorsement to your home policy. There are many other optional coverages available.

Limits of Protection

Your home insurance policy also comes with protection limits. These limits specify the amount of protection you've purchased in dollars. With few exceptions, the insurance company will not pay more than your policy limits, regardless of the amount of damage.

Your home policy also comes with special limits of protection for things like collectibles, jewelry, guns, business property – and many other areas too numerous to itemize here. Are your policy limits enough?

Is Your Insurance Changing with You?

When you change your property – or how you use your property – your insurance policy does not automatically change along with you. Yesterday your protection may have been adequate. But today it may not be.

For example, an addition to your home increases the cost to replace your home and could eliminate any kind of guaranteed replacement cost option. Also, if you conduct business at home, you may be in for an extremely unpleasant surprise if you have a claim related to those activities. There's more.

What To Do?

- Read your policy – especially the exclusions. Call us with questions. Nobody wants to read it, but your policy is your contract. If the policy says it's not covered, it's not. If the policy specifies a limit of protection, that's the limit.
- Review your insurance with us annually at least. Keep in mind that as your life changes your insurance policy does not. Additions to your home, new sheds or other buildings, changes in how you use your property – and more – all could trigger an unexpected exclusion in your policy.
- You have choices. The cost of your insurance is directly related to your risk. If you want to pay less for insurance, you'll keep more risk yourself – and risk suffering an unpaid claim. If you want less risk, you'll need to pay more for your insurance. Only you can decide what the right balance is for you.

The last thing I want is for you to have an unexpected unpaid claim. Our job is to help you buy the insurance you want. Give us a call. Let us help.

Are You The Client of the Month?

Our agency is nothing without your loyalty and faith in us. Even if your name doesn't appear below this month, please accept my heartfelt "thanks" for your support. I truly appreciate it.

For outstanding work telling others about our agency, this month we honor **Gary & Julia Anderson** of Portage as our Client of the Month! Gary & Julia will receive a \$25 American Express Gift card. Thanks for your continued business!

January's winner was Gary & Jacki Crawford of Baraboo, February's winner was Robert & Viola Galindo of Portage, and March's was Lola Griffin of Baraboo! Thank you all for your referrals.

Protect Your Hearing ...

According to the National Institute of Occupational Safety and Health, noise-induced hearing loss is one of the most common occupational hazards and the second most common self-reported occupational injury. Here are some tips to keep in mind...

- Stand away from people working with loud devices. If you have to shout to be heard, the noise is probably damaging your hearing.
- Protect your ears with earmuffs or plugs if you are exposed to prolonged, high-volume noises.
- Seek medical attention for earaches and sudden changes in hearing or ringing in the ears.

DON-RICK INSURANCE DONATES \$2,510 TO HELP TSUNAMI VICTIMS....

In a joint effort between the agency and its associates, Don-Rick Insurance raised \$1,255 with the other half provided by Allstate Insurance, the parent company of Encompass Insurance. Encompass Insurance is just one of the many insurance companies we are contracted with to provide auto and homeowners insurance to our clients.

Like everyone else, our agency was shocked by the death and destruction caused by the Tsunami. We were looking for ways to make a contribution. So when Allstate announced their dollar for dollar contribution program through the Red Cross it was really an easy decision to hook up with them and really double our contribution.

Grill Safety

We've had a great spring and for our barbeque enthusiasts, it's time to fire up the gas grill. But when not used carefully, they can be dangerous.

If your flame blows out, be sure to open the lid and let the gas dissipate a minute before attempting to light the grill again. You could end up with serious injuries, if you don't!

18 Ways To Turn Your Workers' Comp Premium Audit Into Big Savings

1. Make it easy on your premium auditor. Have their information ready. Give them a quiet room, coffee, etc. The easier it is for them, the easier it may be for you. (But don't let the auditor roam freely around your facility.)
 2. Recap your payroll by classification code. Why? An auditor may automatically place any unexplained payroll in your highest rated classification! Don't let that happen.
 3. Before sending the premium auditor to see your CPA, make sure the CPA firm knows something about Workers' Compensation classifications. If they don't, get us involved. Also, tell your CPA to be nice to the premium auditor. Many firms treat them like the plague.
 4. Clearly recap overtime figures. The auditor will discount all overtime wages back to regular wage rates. At time and a half, that's a savings of 33%.
 5. Exclude tips. Tips are not included in Workers' Compensation premium calculations. Make sure the auditor doesn't include them.
 6. Don't pay Workers' Compensation premium on uninsured subcontractor materials ... labor only! If a material/labor split is not available on subcontractor billings, use 50% as a guide.
 7. For heavy equipment operators (uninsured subcontractors) use 1/3 of total billings as reportable labor cost. The other 2/3 is machine usage charges and should be excluded.
 8. Severance pay is excluded from Workers' Compensation premium calculations.
 9. Bonuses paid for inventions are excluded, as well. (Use your imagination.)
 10. Third party sick pay – i.e. Short/Long-term Disability Insurance payments are excluded, as well.
 11. Be sure covered officers' payroll is capped at the state maximum.
 12. Expenses advanced for travel and meals are excluded.
 13. Pay to active-duty military employees (still drawing checks) is excluded.
 14. Keep your Certificates of Insurance on file from all subcontracted labor. Don't let the auditor charge you for any subcontracted labor that has Workers' Compensation insurance.
 15. When your premium audit is done, fax any worksheets to us immediately. We can often nip problems in the bud.
 16. Don't lie, but when unsure, place payroll in a lower rated classification. Be the aggressor! Let the auditor call your hand. Often they won't.
 17. If you have employees that do clerical work only but are physically located in your shop area, many insurers rate them with the higher rated classes. Consider relocating these people to a separate area. (i.e. wall separation) to qualify for the lower rated clerical codes.
 18. Schedule your audit on a Friday afternoon, the later the better. Your auditor will be in and out of your office in a flash and is very likely to take your recap without questioning it!
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REFERRER OF THE QUARTER

Referrals are the lifeblood of any business and there's no better source than you, our clients.

Once a quarter we will draw a name out of all of our referrals. The first quarterly winner for 2005 is **Dan Beal of Baraboo**. Dan wins a \$50 gift card from American Express. We thank Dan for all of his business and his referrals!

For every referral you give us, you'll get \$10 in chamber bucks, plus be entered into our monthly drawing to win \$25 in an American Express Gift Card. Once a quarter, we'll give away a \$50 American Express Gift Certificate. Finally, you'll be entered to win our grand prize giveaway to be presented in December!

E-MAIL US...

You can e-mail any of our associates very easily.
Our email format is `firstname@don-rick.com`. Example: `wendy@don-rick.com`

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PRSR STD
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Staff Directory

Portage	Ext	
Dennis Rupers	14	PL Manager/Sales
Lynne Clark	10	Policy Customer Service
Darlene Kidd	12	PL Sales
Baraboo		
Ext		
Eric Lewison	18	Agency Manager
Dan Lewison	20	CL Account Executive
Rick Lewison	21	CL Account Executive
Wendy Gerken	10	CL Account Manager
Kelly Okapal	16	CL Customer Assistant
Patti Boehlke	15	Life/Health/Annuities
Nancy Howard	12	PL Manager/Sales
Pam Bredesen	19	PL Policy Changes/Billing
Matt Klemm	14	PL Sales/Claims
Kerry Alaimo	13	PL & CL Customer Assistant
Mary Randazzo	17	Bookkeeper

CL—Commercial Lines (Business Insurance)
PL—Personal Lines (Auto, Home, Etc)