



Managing Risk

A GUIDE TO INSURANCE

Reducing Automobile Risks

A traffic accident isn't just a headache. It's an event that can have a major impact on your long-term financial, physical and mental health. The pain and suffering caused by a wreck can linger for years, making it critical to protect yourself with safe driving practices, smart decisions and comprehensive insurance coverage.

SAFE DRIVING PRACTICES

Around the world, nearly 1.3 million people die in road crashes each year, an average of 3,287 deaths a day, according to the Association for Safe International Road Travel. The group reports that an additional 20 to 50 million are injured or disabled in accidents, with more than half of all road traffic deaths occurring among young adults ages 15 to 44.

These statistics can be curbed by defensive driving practices. Defensive driving includes scanning the road as far down as you can, increasing your distance around distracted or aggressive drivers, eliminating distractions, staying visible to other drivers and avoiding blind spots, keeping a calm and positive attitude, and always having an escape plan while on the road.

SMART DECISIONS

A leading cause of auto accidents is intoxicated drivers taking the wheel. If you're under the influence of alcohol or drugs, you have no reason to drive. Stiff penalties and the risk of injuring others in an accident should be enough reason to call a cab or ride-sharing service.

Another safe driving tip is simple, yet often overlooked:



© ADOBE STOCK

Wear seat belts. In 2016, seat belt use in passenger vehicles saved an estimated 14,668 lives, according to the National Highway Traffic Safety Administration. The national use rate is at 90.1 percent, reports NHTSA, but nearly 27.5 million people still

don't buckle up.

COMPREHENSIVE INSURANCE COVERAGE

Think local when it comes to finding an auto insurance coverage that fits your family's needs and price point. Your local insurance agents

understand what's available on the market and how to find a policy that matches your specific needs. Using a local agent will likely mean better service and a more personal approach versus finding a policy online.

Buy from a company

licensed in your state. Contact your state insurance department if you're unsure about a company you are researching. And don't forget to shop around. Get at least three price quotes from companies before selecting your carrier and local insurance partner.

Risks at Home

Buying a home is likely the most expensive purchase you will make. It is a decision that comes with many benefits and potential pitfalls, depending on how well you protect yourself throughout the buying process. Likewise, renting a home or apartment can be the largest bill you pay each month.

It is crucial to protect not only the actual structure of your home or apartment, but also your personal items within it. Here are three factors to consider when buying or renting a home:

1. LOCATION

In real estate, location is everything. Houses that are located near highly rated, permanently staffed fire departments usually cost less to insure, according to the Insurance Information Institute. This also holds true for homes that have a hydrant nearby.

Living near an ocean? Consider your proximity to the coastline. Houses located on or near the coast will generally cost more to insure than those further inland due to the risk of hurricanes or flooding. They may also require a separate hurricane or windstorm deductible. Work with your local insurance agent to see what types of coverage is available in your area.



© ADOBE STOCK

2. AGE OF THE HOME

Older, Victorian-style homes are all the rage. But owning and maintaining one can hurt your wallet. Features like plaster walls and traditional wooden floors can be costly to replace and can raise the cost of insurance. Before

signing the dotted line to purchase a vintage home, work with your inspector to check out the condition of the plumbing and electrical systems. Age can affect the safety and integrity of these systems, which is something that will also be assessed by your

home insurance provider as it determines the cost of your policy.

3. QUALITY OF CONSTRUCTION

The age of your home is also a big factor in determining its compliance with build-

ing codes. Homes today are constructed to meet modern, engineering-based building codes. Consider how much renovation will set you back when deciding whether or not to purchase an older home.

Does the home have a new

roof or will it have to be replaced relatively soon? Depending on the type of roof and whether or not it's made with fire- or hail-resistant materials, you may even qualify for an discount, according to the Insurance Information Institute.

Health Insurance Considerations

An effective health insurance policy shouldn't be your only line of defense against life's risks. Your habits must complement your coverage to give you the best chance of living a long, healthy life.

This means incorporating regular exercise and smart eating into your daily routine.

Once you are committed to sustaining these type of choices, you can work with a health care insurance agent to find the best coverage for you and your family.

INSURANCE TERMINOLOGY

Before choosing your next coverage, get to know some of the following key terms, according to [healthcare.gov](https://www.healthcare.gov):

Deductible: How much you have to spend for covered services before your insurance company pays anything (except free preventive services).

Copayments and coinsurance: Payments you make each time you get a medical service after reaching your deductible.

Out-of-pocket maximum: The most you have to spend for covered services in a year. After you reach this amount, the insurance company pays 100 percent for covered services.

TOTAL COSTS

Plans in the [healthcare.gov](https://www.healthcare.gov) marketplace are broken down into four categories:

- Bronze
- Silver
- Gold
- Platinum

Categories with higher premiums (generally gold and platinum) pay more of your total costs.

Consider your lifestyle choices and family dynamic when selecting a tier. If you don't expect to use regular medical services and don't take regular prescriptions, [healthcare.gov](https://www.healthcare.gov) recommends considering a bronze plan, which can have low monthly premiums but high deductibles and pay less of your costs when you need care. If you expect a lot of doctor visits or need regular prescriptions, a gold plan may better fit your needs. These policies generally have higher monthly premiums but pay more of your costs when you need care.

Working closely with a local insurance agent can help you feel supported throughout the decision process. The agent can help you make sure your doctors take your new plan and help answer any questions you have on the price or effectiveness of the coverage.

Health and Safety on the Job

Is your workplace safe? For many professionals across America, the answer varies based on their line of work.

A remote writer or graphic designer, for instance, isn't exactly in the line of fire every day when reporting for work. A factory worker surrounded by heavy, loud machinery with multiple moving parts, however, is forced to remain vigilant of his or her surroundings throughout the day.

Here are some of the most common safety risks found in today's work environments, according to Occupational Safety and Health Administration.

SAFETY HAZARDS

- Spills on floors or tripping hazards, such as blocked aisles or cords running across the floor.

- Working from heights, including ladders, scaffolds, roofs or any raised work area.

- Unguarded machinery and moving machinery parts; guards removed or moving parts that a worker can accidentally touch.

- Electrical hazards like frayed cords, missing ground pins and improper wiring.

BIOLOGICAL HAZARDS

- Blood and other body fluids.



© ADOBE STOCK

- Fungi/mold.
- Bacteria and viruses.
- Insect bites.
- Animal and bird droppings.

PHYSICAL HAZARDS

- Radiation: including ionizing and nonionizing, such as EMFs, microwaves and radio waves.
- High exposure to sunlight and ultraviolet rays.
- Temperature extremes.
- Constant loud noise.

ERGONOMIC HAZARDS

- Improperly adjusted workstations and chairs.
- Frequent lifting.
- Poor posture.
- Awkward movements, especially if they are repetitive.

CHEMICAL HAZARDS

- Liquids like cleaning products, paints, acids and solvents.
- Vapors and fumes that come from welding or exposure to solvents.

- Gases like acetylene, propane, carbon monoxide and helium.

- Flammable materials like gasoline, solvents and explosive chemicals.

PROTECT YOURSELF: DISABILITY INSURANCE

More than one in four 20-year-olds will experience a disability for 90 days or more before they reach 67, according to the Social Security Administration. Both short-

term and long-term disability policies replace a portion of your monthly base salary up to a cap. Some long-term policies pay for extra services like training to return to the workforce.

If you can't buy disability insurance through your employer, you can purchase an individual policy by working with your local insurance broker. Most individual policies are sold for long-term coverage, but you can find short-term options as well.

A Secure Future For Your Family

Unless you are debt-free and would leave behind enough cash to take care of your family financially, you should be looking into a life insurance policy. Working with a trusted life insurance broker can give you peace of mind in knowing that someone is helping you find the policy that works best for your family.

Read on for the things to consider when shopping around.

HOW MUCH DO YOU NEED?

In a recent CNN Money report, a collection of financial planning experts recommended enough life insurance to replace five to seven years of your salary.

If you have young children or significant debt, you should bump up your coverage so you have enough to replace as much as 10 years of your salary, the report stated.

TYPES OF LIFE INSURANCE

There are two main types of life insurance:

- **Term life:** With lower premiums and straightforward terms, these policies are great for limited budgets. The policyholder pays premiums and if they die while the policy is in effect, their beneficiary receives the death benefit.

- **Whole life:** This is a permanent life insurance, which stays in effect for as long as you pay the premiums. When you pay your premium on a permanent policy, it's split between the death benefit and the cash value. Your local insurance agent will be able to help you define your exact benefits.



© ADOBE STOCK

THE COST

Life insurance policies vary in cost, but the best rates go to

those who are in good health and have a family history of good health. If you are over-

weight, have a health condition, smoke or have a risky occupation, you may pay up to

50 percent more for insurance, according to the Insurance Information Institute.

Business Flood Insurance

Natural disasters can be absolutely devastating businesses of all sizes. Wind, lightning and earthquake insurance may be part of your business policy, but what about protection from floods and water damage?

Ask your local broker if your commercial property insurance includes flood coverage. If not, it may be time to add insurance from the federal government's National Flood Insurance Program.

Read on for key factors to consider when purchasing a flood insurance policy.

FLOOD INSURANCE COVERAGE

According to the NFIP, a general rule of thumb is that if water comes from above — including rain or snow — you'll be covered by standard commercial flood insurance. Keep in mind that you cannot purchase NFIP coverage directly from the federal government. It can only be purchased through an insurance professional.

COMMON LOSSES

Here are some of the common losses that flood insurance can protect you from:

- Heavy or prolonged rain.
- Water from overflowing rivers or streams.
- Storm surge, snow melt or broken dams.
- Many policies require water to cover at least two acres or affect two properties

DO I NEED FLOOD INSURANCE?

If you live in a high-risk flood area, you may not have



a choice. Mortgages from federally regulated or insured lenders require business owners to purchase a flood insurance policy in this case. You can find flood map search

tools online to determine if a prospective area falls within a flood zone. You can also call your local property assessment office to find this information.

POLICY AMOUNTS

According to the NFIP, commercial flood insurance provides up to \$500,000 of coverage for your building and up to \$500,000 for its contents.

You can purchase excess insurance coverage to rebuild properties valued above NFIP limits, so be sure to understand exactly how much coverage your business owns.



© ADOBE STOCK

Annuities for Retirement

Annuities are diverse investment vehicles issued by insurance companies and sold by insurers, brokerages and mutual fund companies. Buyers invest money in an annuity owned by an insurance company, who in turn invest that money. In exchange for their investment, buyers are guaranteed a steady monthly check for a set number of years.

The amount you will receive monthly from an annuity depends on multiple factors. According to The U.S. Securities and Exchange Commission, these factors include the type of annuity, how much you invest, how your investment performs and which features you add.

TYPES OF ANNUITIES

There are two main kinds of annuities. Immediate annuities start with a lump sum. The insurance company then sends you regular payments right away. Your insurance broker will run you through the payment options. In a deferred annuity, you invest

years before retirement. Your investments will grow, tax deferred, until you retire.

PROS & CONS

Annuities are great for people near retirement age, people who haven't saved enough to retire, and people who need a steady retirement

income, says the Insurance Information Institute.

Some drawbacks, investor.gov says, are that the calculations used by insurance companies to determine the rates of return on some investments may suppress long-term earnings. You may also need to pay surrender charges

to the company if you decide to cash an annuity in. Lastly, annuities can carry high fees when compared to other long-term investment options.

Be sure to consult with your local insurance professional to find the right annuities for your investment portfolio.