

Information and ideas for customers of John F. McBride Insurance Agency • Spring/Summer 2012

HOMEOWNER ADVISORY **Make sure you have proper coverage** *Renting out a house? Seasonal home? Own a vacant house?*

Standard homeowners policies cover houses that are occupied by the owner and other family members. The risks are considered to be lower than those for houses that are rented out or vacant. You need different coverage for rental and vacant properties.

Insuring a house you rent out

The underwriting assumption is that tenants may not maintain a house with the same care as you would. Also, as the owner, you need protection if damage or bodily injury occur while the house is rented.

What you can do: In some cases, you are allowed to rent a house under your homeowners policy. (Call us to review the situation.) After that time, change to a fire dwelling policy. It can provide coverage for damage to the building, damage to your personal property in the building, and your liability; also, for "loss of rent" and voluntary medical payments. Tenants must buy insurance on their own to cover their personal property.

What if you own a vacant house?

Many homeowners are unaware that a standard homeowners policy excludes most coverages for a house that has been vacant for 60 days or more. Vacancy is defined as a home without any personal belongings. Vacant houses are exposed to several risks: arson, vandalism, burst water pipes, and even squatters. You need to protect your investment and make sure you are not held liable for accidents that take place on your property.

What you can do: Buy a vacant dwelling policy. This policy can be purchased for short-terms (a three month or six month period). Because of their high risk nature, these policies are quite expensive.

Vacant houses under renovation

There is a special risk involved here. Some homeowners policies can be endorsed to cover it. Most cannot.



What you can do: Most likely you need a "special builders risk" policy. This policy is in effect while the construction is going on. It can cover the anticipated cost of the renovation project. Building and construction materials at the site are insured on an "all-risks" basis, and liability coverage may be included.

Seasonal home coverage

You can purchase a standard homeowners policy for a seasonal home that is unoccupied for a period of time. However, the house must be furnished. It is also advisable to make sure the house is checked on a regular basis by a neighbor or a local home maintenance service.



Q. John, is it true that insurance companies who write homeowners insurance may conduct property inspections before they OK issuance or renewal of a policy?

A. Yes. Many perform routine inspections of home exteriors and property settings. If they find issues, they notify the homeowner and request that they be addressed. Typical issues: tree branches that overhang a home and need trimming, open foundation areas, missing or broken steps and railings, broken windows, and chimney and roof deterioration.

We invite you to submit questions for this regular column.



• Update your jewelry values

With the value of gold at an all-time high and so much advertising on TV about "cashing in old jewelry", your jewelry may be more vulnerable. The standard Homeowner policy only provides limited coverage for jewelry and other valuables. Yours may now be worth more than the limit. If you haven't had a recent appraisal, it may be a good time to do so. If the figure comes back over \$2500, contact us immediately for additional scheduled coverage to make sure you are protected.

• **Starting a home business?** Please let us know. Your homeowners policy may not provide coverage for critical business risks. We can provide you with a no obligation quote for proper protection.

• Pay your bill by EFT and save

Many of our companies offer discounts to people who choose to pay by Electronic Funds Transfer. It's one way to cut the cost of your insurance. Ask us about other opportunities to earn discounts on your premiums.

• The highest compliment we can get is a referral from a valued customer or friend like you. If you know a responsible homeowner or renter or business owner who you believe could benefit from our services, we appreciate your mentioning our name. Thank you.

Before you decide, call McBride!

"The only thing worse than paying too much for insurance is paying too little. As your independent agent, we can help you avoid BOTH. It's all about value, what you get for what you pay."

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FINANCIAL SECURITY Facts of Life

At the McBride Insurance Agency, we have a simple, no-nonsense approach that provides an answer. It is based on maintaining your family's quality of life if you were no longer there to provide for them. It takes into consideration: what your current liquid assets are— cash, savings, checking, retirement funds, existing life insurance, and investments; and what annual return on the death benefit your family would need to sustain themselves.

If now is a good time for a no-obligation financial security check-up, call John McBride at **978-663-3301.** In the meantime, fill out this simple worksheet to get a snap shot view of how much life insurance you and your family might need. Then give *us a call. We proudly represent Ohio National Life Insurance Company.*

"Do I have all the life insurance I'll probably ever buy?" Call McBride Then Decide!!!

Expense:	Determining Formula	Estimated \$\$\$ Amount
1. Income Replacement	7-10 times your annual income	\$
2. Mortgage/Rent	Your remaining outstanding mortgage or estimated rental cost.	\$
3. Outstanding Debt	Outstanding loans, credit card debt, and other debt	\$
4. College Education	Estimated cost of college per year, multiplied by 4, and by # of children	\$
5. Emergency Fund	25% to 50% of your annual income	\$
6. Funeral Cost	Approximately \$20,000	\$ 20,000
7. Total Cash Needed	Add parts 1 through 6	\$
8. Total available liquid Assets	Cash, savings, checking, retirement funds, existing life insurance, investments	\$
9. INSURANCE NEED	Part 7 minus part 8	\$ Your potential life insurance need

Guard against power mower in-

batty ofricials report that over 70,000 children and adults are injured by power mower accidents every year. Most frequent accident causes: trying to unclog blades by hand or with a tool; backing up with the mower; losing control on steep lawn embankments; and children falling off riding mowers or out of carts towed behind. *Please remember*: young children and mowers don't mix! Never



As an extra precaution against flying objects and noise, officials advise power mower users to wear protective headgear and safety glasses. They also recommend wearing heavy duty footwear, preferably with steel insert toe guards.

THANK YOU FOR REFERRING US TO A FRIEND!

About 60% of our new customers are the result of referrals from loyal clients like you. When you refer someone, ask him or her to mention your name when they contact us. We'd like to thank you personally!

It is understood that the publisher is not engaged in rendering legal, accounting or other professional service. If legal or other expert advice is required, the services of a professional should be sought. Insurance information is general in nature; for specific coverage provisions, review contractual policy provisions.

INFO CORNER Save Your Energy

As gas goes to \$4.00 per gallon, we need to save however we can. Driving at 55 mph instead of 75 mph would reduce fuel consumption by an estimated 25%, according to the U. S. Department of Energy (DOE). On its Web site, the DOE claims, as a rule of thumb, each 5 mph you drive over 60 mph is like paying an additional \$0.30 per gallon for gas.



The DOE site also lists these ways to save on gas costs:

- Keep tires inflated at proper pressure
- Avoid speeding, rapid acceleration
- Do not brake hard
- Avoid excessive idling
- Use overdrive gears
- Follow us! Remove all excess weight in your vehicle • Maintain a constant speed in highway driving

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