



Insurance INSIGHTS

Information and ideas for customers of John F. McBride Insurance Agency • Fall/Winter 2012

CUSTOMER ADVISORY: EARTHQUAKE INSURANCE

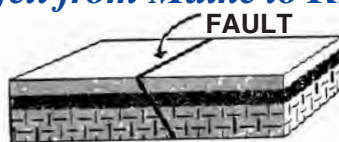
Potential for major N.E. earthquake often overlooked *Recent quake on October 16th felt from Maine to Rhode Island*

Danger of a devastating quake (like Haitian one several years ago) is not high here, but not impossible either.

20 small quakes annually in N.E.

John E. Ebel, director of Boston College's Weston Observatory is a professor and seismologist. According to a recent ***Boston Globe*** article*, he has recorded quakes around the region for three decades.

The largest quake recently was a magnitude 4.2 in 2008 near Bar Harbor, ME. The recent quake on October 16th near Biddeford, ME was initially scored as 4.6, but later reduced to 4.0. According to Ebel, earthquakes of this magnitude are seen in New England every three to five years. Structural damage or breakage is generally thought to start at the 5.0 level. Thanks to social media, like Facebook and Twitter, we know that the quake was felt from the Canadian Maritime Provinces, south along the coast, through Rhode Island to Connecticut..



Stresses in the earth's crust cause blocks of rock to break, then move along a fault, or crack. Rocks and earth may slip in any direction - up, down or sideways.

Big Cape Ann earthquake

The last major earthquake affecting our area happened on Cape Ann in 1755. The tremors were estimated at a magnitude of 6.3. The shocks were felt from Nova Scotia to Maryland. While 1755 is a long time ago, Professor Ebel points out that before February of this year, a major quake had not hit Haiti since 1897 either.

6.0 shake could raise havoc today

New England sits on the center of the North American tectonic plate, one of nine large plates that make up the earth's crust. This is why local seismologists, structural engineers, and MA Emergency Management Center officials are actively coordinating efforts to determine what can be done to reduce risks and damages from a major earthquake "event".

What if tremors caused you property losses?

Even minor tremors can cause structural damage, toppled chimneys, breakage of valuable china, and destruction of art objects or other valuables. Experts say buildings with older brick unreinforced masonry are most vulnerable to massive structural damage.

Insurance excludes earthquake damage

Basic home insurance coverage does not pay for any earthquake-related damage. This also applies to any type of earth tremors. *The average cost of earthquake coverage is only \$.35 per \$1000 annually, with a 5% deductible.*

Contact us to add a special earthquake endorsement to your homeowner's policy, and explain its coverage.

Test Your Insurance I.Q.

Q. John, we are planning to hold a yard sale next spring. Do we need special insurance or will our home insurance protect us against any liabilities?

A. Most one-time yard sales to sell unwanted personal items are generally covered under your standard homeowners policy in case of an injury to a visitor. But if you plan to hold several yard sales, your homeowners policy may not provide liability coverage. If you hold several, it may be considered a business venture and require a specific business liability policy to cover any risks.

We invite you to submit questions for this regular column.

The Personal Touch

By John McBride, Jr.



• **THANKS** to everyone who has recommended us to relatives, friends and business associates this year! Your referrals are very much appreciated. They are the highest compliment that we could ever receive.

• McBride Insurance goes green.

Starting in 2013, we will no longer send out highlighted policy pages to *all* customers. But be assured that our experts will continue to review *every* renewal policy. If they spot something that merits customer attention, they'll get in touch right away to offer options and recommendations. *Please inform us immediately of changes in your household that could effect your policy.*

• **If your son or daughter has a car at college** record and it is garaged away from home in the college area during the school year, make sure you let us know so that we

make sure he or she has the proper coverage. Rating differs from location to location.

• One more reminder: No-texting law for drivers

Sending or reading e-mails and texts — even at red lights — carries fines of \$100 to \$500. The law also makes it illegal for anybody under 18 to use a cell-phone while driving. Everybody else is free to use their cellphones for calls.

• **Substitute Transportation is valuable coverage.** Check Part 10 of your auto policy. Substitute Transportation is NOT automatically included, but it is available. You only have this coverage if it is indicated on the Coverage Selections Page of your policy. Call us if you would like to add it.

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."



FINANCIAL SECURITY

How long could you afford to pay for long-term care?

A recent study by the U.S. Department of Health and Human Services indicates that people who reach the age of 65 have a 40% chance of going into a nursing home, and about 10% will stay there five years or more. The national average cost of a nursing home with a private room is \$87,000 annually, but the cost in Massachusetts is more like \$125,000 annually. While many families (one in four according to one report) are working valiantly to meet the daily living needs of a senior family member at home, it takes its toll in financial and emotional stress, and often leads to a decision to place the senior in a healthcare facility.

There are some new long-term care solutions emerging; solutions that are designed to preserve the family assets, and provide the personal attention and care that is so important. One of the financial service companies we represent has a plan that links life insurance and protection for long-term care expenses (at home or in a facility) in one policy. *If you would like information about this plan, please give us a call at 978-663-3301.*



‘I’m Animal Friendly’ license plates in MA

This new plate program was started by the non-profit Massachusetts Animal Program. The initial cost for the plate is \$40. Out of this fee, \$28 goes to the charitable spay and neuter program, and \$12 is a one-time cost to cover the manufacturing the plate. Upon renewal every two years, the entire \$40 goes to the charity. NOTE: The \$40 is in addition to the standard auto registration fee. For ordering information, go to www.petplate.org or visit your local Registry of Motor Vehicles office.



Did You Know?

Winter windshield wipers are clearly a better choice



Safety officials point out that regular windshield wipers really don’t “cut it” for winter driving conditions. Exposed frames, like the ones on regular blades, allow ice and snow to build up within them. As a result, the blade is pushed away from the windshield so they can’t do their job. For maximum visibility, consider switching to heavy duty winter-style wipers with Teflon or rubber covering around the frames.

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!



Follow us!

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.

McBride Business Corner

• **Commercial property owners** - Are all your tenants insured? How about the contractors you do business with? If something happens due to their negligence, should your insurance provide coverage? Whenever you get a new tenant or hire someone to work for you, one of the first questions to ask is “are you insured?” If they say yes, ask for a certificate of insurance. Their certificate is a snapshot of what coverage they have. There is no cost for them to request one from their agent.

• **Business owners** - How much General Liability coverage should you have? This is question we get often! It is not a question we can answer for you. We tend to say something like “it depends on how large the claim is!” Typically, General Liability is offered with occurrence limits of \$300,000, \$500,000, and \$1,000,000. It’s your choice.

SAFETY ADVISORY

Be careful using gas-powered generators

After power outages there are often reports of casualties caused by carbon monoxide poisonings from improperly vented generators. Safety officials warn that gas-powered generators should always be used outside and placed 15 feet from windows and doors. Never run them in a garage or shed attached to the house or on a porch.

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