



SPOTLIGHT

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Birds-eye view of drones and your insurance protection

There are some interesting new technologies that your insurance company and our agency need to stay current with when it comes to automobile and home insurance policies. To name several: so-called autonomous cars (self-driven); Uber and Lyft type ride services; and drones (Unmanned Aircraft Systems or UAS).

Flying off the shelf

Google Trends lists drones as one of the top four items when people type in "I want to buy." With prices starting at less than \$300, drones are expected to be one of the hot Christmas purchases this year. These forecasts and a few inquiries from clients prompted us to include some basic information about the insurance implications in this issue.

Drones legal for personal use

As a recent article on drones at insure.com pointed out, kids and hobbyists have been flying model airplanes – the original drones – since the earliest days of aviation. Today, anyone can fly a drone within his or her field of vision and at a height of no more than 400 feet above ground. **There is one important caveat:** you cannot fly drones in restricted areas such as airports or government installations.

Registrations for outdoor flying

According to www.faa.gov, registration is required prior to operating a personal use drone outdoors. If the owner of the drone is less than 13 years of age, then a person 13 or older is required to register the drone. Registration renewal will be required every three years and costs \$5.

Insuring for recreational use

Personal drones are simple to insure. That is, if you only want to use yours for recreational purposes. Most home insurance policies cover personal property. Personal drones, as "model or hobby aircraft not designed to fly people or cargo", would come under this coverage provision. However, liability exposure is a bigger concern, according to the insure.com article.

Liabilities include an accident that causes physical property damage or personal

injury or invasion of privacy. The personal injury section of homeowners insurance or a personal umbrella policy could protect you.

We'll stay tuned with all the buzz

Without a doubt, there will be more and more news about drones and their uses coming fast and furious, especially about commercial uses and regulations. The Massachusetts legislature is presently considering drone use issues, along with the FAA and other federal agencies. We'll keep you posted about any insurance issues that are involved.



Behind the Scenes

By Charles Zammito, President

• Basic woodstove safety steps.

Check for creosote buildup in your stovepipe and chimney. Install a fire-retardant hearth rug. Dispose of ashes in metal container with a tight-fitting lid. Make sure ashes are cool when disposed.

• Planning a fall trip by auto to Canada?

You will need proof of auto insurance. Not a problem. Stop by our office and we will issue you a Canadian proof of insurance card. No charge.

• This winter, clear snow off entire vehicle.

Flying chunks of snow and ice from the roof, hood or trunk could cause a serious accident for the driver behind you.

• Optional oil tank leak insurance.

We offer both "first-party" and "third party" liability coverage for clean-up and damages should you have a tank or pipe oil leak. This is a low-cost homeowners policy endorsement for a serious and expensive problem should it occur. For more information, call us.

• Planning some fall or spring construction?

Make sure all your home repair or new construction contractors have proper workers comp and liability insurance. Ask them to show you a Certificate of Insurance from their insurance agent.

• Avoid water backups this winter.

Every year we have clients who suffer severe property losses due to damages caused by snow and ice dams at the roof line and melting. Care to remove snow and ice accumulations with roof rakes and ice melt tablets can help prevent backups.

• Are helmets required for ATV operators?

We get this question often at this time of year. In Massachusetts, the answer is yes. The helmet requirement applies to off-road motorcyclist and snowmobile operators too.

• Thanks for recommending us to your relatives, friends and business associates!

Test Your Insurance I.Q.

Q. Charles, do I need to inform you when I pay off my car loan?

A. Yes, please notify us immediately. When you finance a large purchase such as a car, boat, RV or home, your lender must be listed on your insurance to protect their investment. When you have paid off the loan, the lender should be removed from your insurance as they no longer hold a lien on your property.

We invite you to submit questions for this regular column. Email your questions to: nzi@nziagency.com.

PERSONAL SECURITY

Test your Insurance Know How

1. If you are involved in a serious auto accident with an uninsured or underinsured motorist, you could be at risk for substantial financial loss.
True False
2. Homeowner policies cover liability risks for a business that is operated in the home.
True False
3. The insurance replacement value of your home (if were totally destroyed by fire or some other catastrophe) is the same as its assessed value.
True False

See ANSWERS below



RISK MANAGEMENT

Quakes and Shakes!!!

Massachusetts and many parts of the northeast are considered as being in a “moderate” earthquake zone. True, over the years we haven’t had the same frequency or severity of quakes as those experienced on the west coast, but the risk is there.

The basic homeowners policy does not cover earthquakes. To protect against losses caused by earthquake a special endorsement is needed. It can be added for an average cost of \$150 a year. If you’d like more information about earthquake loss coverage, call us.

Quick review to make sure your HO policy is up to date



Review your policy’s declaration page. It summarizes your coverages along with your personal and home information. Information included on this page:

- Policy number
- Policy period – the period of time your policy covers
- Your name and address of the policy owner
- Address of the insured premises
- Name of mortgagee – usually your mortgage company
- Coverage types and policy limits that apply to your policy
- Deductible amount for the policy
- Home-rating information
- Discounts received
- Premium amount

Review the personal information for errors or changes, and check that the declaration page reflects the proper coverage levels, as well as any additional riders you may have added. Please call us if you have questions or to make changes.

Did You Know?

The difference between Replacement Cost and Actual Cash Value insurance coverage

Here’s an example. Your 3-year old TV set, which cost \$1000 originally, is stolen. If you have purchased replacement cost coverage, it will be replaced with a similar quality new TV set. If you have chosen to purchase actual cash value coverage, your \$1000 TV set may be valued at \$400 as a “used” item. You will be paid a claim settlement at that depreciated value.



Call or e-mail us anytime you have a question about your insurance or related insurance issues. That’s what we’re here for!

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.

ANSWERS

1. **True.** About one out of eight U.S. drivers do not have an automobile policy according to the Insurance Research Council (IRC). It is wise to purchase Uninsured Motorist coverage and Underinsured Motorist coverage.
2. **False.** Homeowner policies specifically exclude liability coverage for in-home businesses. It is advisable to buy several endorsements to your homeowner’s policy or a special business in-home policy or a small business owners package policy.
3. **False.** It relates to what it would cost to rebuild it. This figure does not include the land value. Assessed value, set by your community, is used for property tax purposes. Market value relates to your home’s worth to prospective buyers.



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