DOUBLEDAY INSURANCE AGENCY, INC.
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Ankeny, IA 50021

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"Free To Do What's Right For YOU!"

WINNERS OF OUR $50 GIFT CERTIFICATE DRAWING ARE Barb Jones, Brian Dyer and Jeff and Tami Barnwell

Be sure to refer your friends, neighbors and co-workers to us for their insurance needs. Each referral will get you a $10 gas card PLUS you get your name in the month end drawing for our $50 gift certificate.

We really do appreciate your referrals. We consider that the best compliment you could give us when you refer a friend.

We can't always help them but we have more than one company to quote and will treat each one with courtesy.

Remember, you can't win if you don't play!

Thank you to all who sent us referrals this past 3 months and, if you didn't get at least a $10 gas card please call and ask for Lew so we may correct this problem.

TRUSTED AGENT

In business since 1966!
Over 100 years of experience!

Vol 4, 2022

A Newsletter For Friends and Clients of Doubleday Insurance

WHY HAS MY HOME INSURANCE PREMIUM INCREASED SO MUCH?

Well, let me count the ways! First of all we have had MANY storms in the past couple of years. Some very severe. Wind claims and hail claims and fire claims.

Then the country-wide inflation rate for new and rebuilding has gone up 8%. when it's been around 4% for some time now. So it has doubled, plus. High demand and short supply due to storms and the pandemic.

Lumber is up 17%. Asphalt 16.3%. Concrete 8.4%. Glass 8.4%. Gypsum 20.9%. Diesel fuel to get the supplies to us has gone up 81%. Steel up 141.6%. Copper 37.8%. Paint 12.4%. Labor up 5.5%. All of these is what your insurance must pay at the time of your loss.

Many will tell us that the amount of insurance on their homes is more than they could sell the home for and they are right. But we aren't buying, we are rebuilding and have to have the money available to pay these high increases.

There are some changes coming on your home insurance in the now or near future. 1%, or more, deductibles are becoming the norm, especially for wind and hail. So if you have insurance for $300,000 on your home you would have to pay the first $3,000 for wind and hail losses at least.

Many, in fact most already, have gone to an actual cash value roof valuation instead of replacement cost, especially if the roof is over a certain age, like 15 years. I've been here long enough to remember when it used to always be actual cash value even if the roof was only 5 years old.

Insurance companies pay out more money for dog bite claims each year than any other type of claim. Even hurricanes! Many companies are getting much more restrictive on the type of dog they will even insure. **Guess how much they paid out in 2021 alone for dog bites and closest to actual amount wins $50 gas card. Email your answer to lew@doubledayinsurance.com**

Homes that are not in good or excellent maintenance or repair are getting VERY DIFFICULT to insure. And they are using drones to check on the homes they do insure. If you have weak steps or steps without railings you may find your insurance company will no longer renew you unless the problem is corrected.

And, auto insurance is even more difficult to obtain today. Used car prices have gone up as much as 46% in the past 2 years. When the insurance company has to repair or replace your damaged vehicle, they have to do so with premiums based on 46% less than needed today.

So in some states it is almost impossible to get insurance once a company cancels or non-renews your coverage. The longer you have been with an insurance company the better off you are when you have claims, to keep them from non-renewing you.

TO CONTACT US

Call 515-964-0637 or out of our area you may call us for free at 1-888-464-0637

Website: www.doubledayinsurance.com

Email: First name of agent@doubledayinsurance.com (Lew, Chad, Chris, Denise)

Or, service@doubledayinsurance.com

EMERGENCY NUMBER: 515-249-3367

Does a College Student Really Need Renter's Insurance?

Fall is approaching and thousands of young adults across the country will be moving away from the comforts of their parent's home to live on their own for the first time, preparing to start their collegiate pursuits. Between figuring out classes, learning how to get along with a roommate, and balancing life away from home for the first time, life can be confusing for them.

If the question is then broadly being asked, "does a college student really need their <u>own renter's insurance</u>?" the best answer may start, "it depends". Standard Insurance Service Office policy language, like those used by most homeowner lines of business will recognize students as an "insured", provided they meet certain requirements. Specifically, they must be a student enrolled in school **full-time**, <u>as defined by the school</u>, **was a resident of the household before moving out to attend school**, and **under the age of 26 and a relative, or 21 and in the care of the named insured or a resident relative's care**. Dissecting that language, that does mean most kids going off to live in an apartment or a dorm while they attend college are considered an insured on their parent's homeowner policy still, which includes them for both liability and personal property coverages.

There could always be examples that fall outside of the student insured definition. Perhaps the insured's child took just a bit longer to figure out what they wanted in life and moved out of their parent's house after the age of 26 to go back to school, or maybe they are just out of high school but wanting to only start out with part-time hours at a school. For those that would happen to fall outside of the definition of insured, endorsement HO0527 Additional Insured – Student Living Away From The Residence Premises could be used. This option is available at an additional premium and would only apply while student is away for school and residing at the listed address in the endorsement.

Even if the student meets the definition of an insured on their parent's homeowner policy, there could certainly be good reason to write them their own HO4 renter's insurance policy instead. One important note is that while they are an insured and would have rights to personal property coverage under their parent's policy, they are still subject to the policy limitation for personal property away from the residence premises which is 10% of the Coverage C limit on the policy. Depending on the parent's Coverage C limit, that limit may or may not be sufficient and could be a good reason to write them their own renter's insurance coverage.

Another key thing to think about is the policy deductible on the homeowner's insurance policy. It would be common to see deductibles of $1,000 or more for many homeowners, and with a renter's policy only considering the personal property coverage it may be preferable and affordable to elect a lower deductible.

Landlords commonly require proof of coverage and while you could complete a Certificate of Liability form stating coverage is in place if they qualify for automatic coverage from their parent's policy, a separate renter's policy would also suffice and would allow you to list the landlord or property manager using the Additional Interests endorsement. That endorsement will advise them directly of coverage in place and will also send notice if coverage were to later be cancelled. It is also important to note though that some insurance companies do not allow landlords to be added as Additional Insureds.

Homeowner policies will contain language limiting theft coverage for students who remain qualifying as an insured, living elsewhere while attending school. If they have not been present at their school residence any point at least 90 days immediately before a theft loss occurs, theft coverage would not be available from the parent's homeowner policy. It may be best to make sure a student who is off-campus year-round has their own renter's coverage, to help avoid any gap in coverage if they were to spend their summer back home with parents and leave property at their residence at school for 90 days.

Perhaps one last possible motivation for electing to write a student a renter's policy instead, is a parent or their child wishing to maintain their own independence and responsibility. Getting our own insurance is a part of growing up we all must experience at some point, so why not rip off the band-aid and learn those lessons sooner than later?

Do You Know What The Number One Risk In Retirement Is?

It's probably not what you think it is. The number one risk in retirement is <u>longevity</u> risk! Why? Because it multiplies all the other risks. The longer you live, the more likely you'll withdraw too much and run out of money early. The longer you live the more likely you'll see inflation which makes what money you have not go as far as it used to go. The longer you live the more likely you'll need Long Term Care protection.

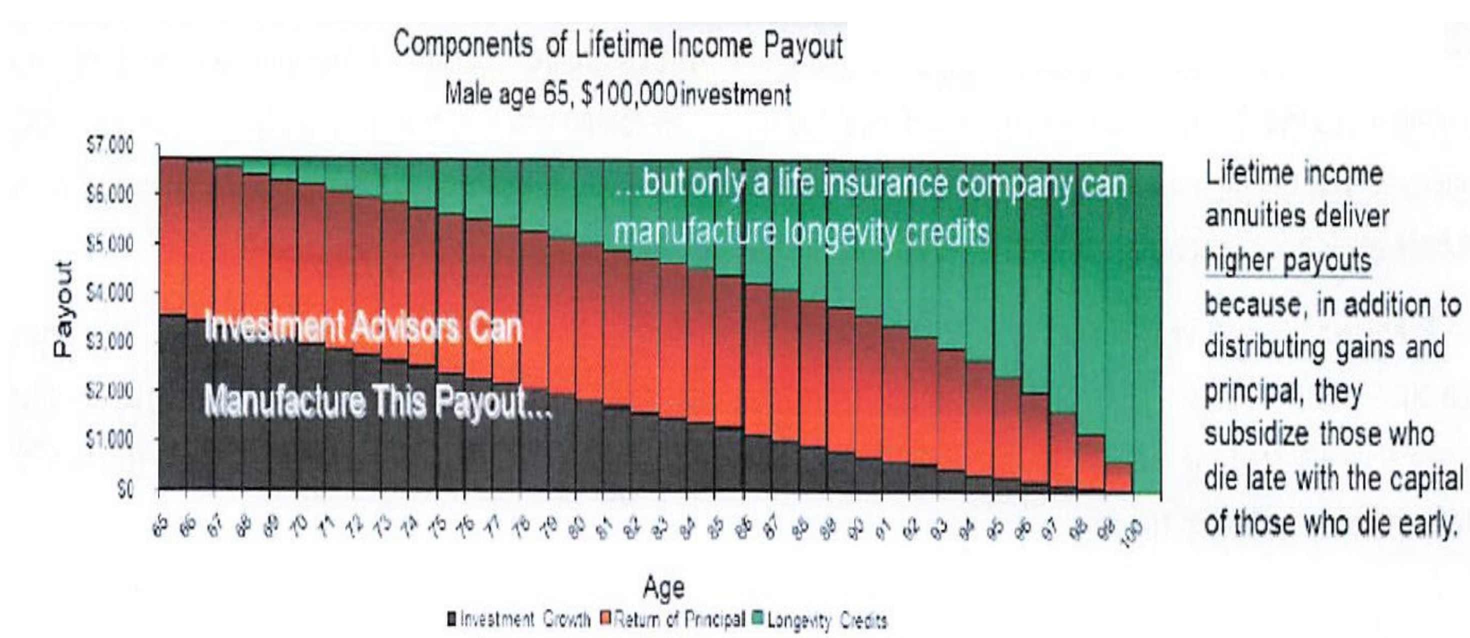
So how might you mitigate that risk? By using Longevity credits! But what the heck are longevity credits? Let me tell you a simple story to explain these credits.

Every year five 90 year-old ladies went on a vacation. One year, one of the ladies had an idea. She said, "Why don't we each put $100 into a mason jar, seal it up and bring it with us next year? Then, we'll open it up, and those of us who are still alive will split the money. " The others said, "Hey, that's a great idea!" So, all five of them put in $100 (that's $500 total), and they sealed up the jar.

What do you think happened the next year? No they didn't forget where they put the jar!! That's just a joke. Unfortunately, one of the older ladies passed away. So now, the four old ladies who were still alive opened the jar and split the money—$125 each. That's a 25% rate of return in 12 months. That 25% is from <u>longevity</u> credits!

The ladies looked at this, thought it was a great idea compared to their brokerage account, and they decided to do it again. So, they put the money back in the jar, sealed it up, and decided to "let it ride." The next year one more lady passed away. Now, three ladies split the $500. They got $167, which is a 67% rate of return over two years with no money in the market and no interest. How is this possible? Because they got paid <u>longevity</u> credits.

Let me explain it another way. Look at the chart below from one of my presentations. Those gray bars represent principal-and anyone can pay you that. The orange bars represent interest-and anyone can pay you that too. The green bars represent <u>longevity</u> credits, and only a life insurance company can manufacture those. What other available investments can pay you based on your age? Stocks can't do it. Bonds can't do it. The only product that can deliver higher payouts based on how long you live is a lifetime income annuity.



With a lifetime income option you'll never run out of money even after all <u>your</u> money and <u>interest</u> is gone!

The example is hypothetical & doesn't represent any product.

MOTORIZED VEHICLES like golf carts, ATV's, etc only have coverage if used for the service of your premises, and most, only on your premises will your liability under your home insurance protect you. Many policies only cover them on your own premises and only then if not licensed for road use.

These are especially dangerous for your kids to be operating by themselves. They just don't seem to see the danger they represent.

To get them covered properly call our office. It's much better to pay a little for insurance than to pay a lot for no insurance after someone has been seriously injured on one of these you may own. To insure them we need the Year, Make, Model and the VIN and the cost to purchase and the cc's size of the motor that propels them.

Farmers are a major exception here. Call us for details if you own one or if you are thinking of purchasing one soon.

If you are driving one on the roadways please call us today for the proper insurance coverage.

U.S. Traffic Deaths Jump 10.5% in 2021 to Highest Number Since 2005

U.S. traffic deaths jumped 10.5% in 2021 to 42,915—the highest number killed on American roads in a single year since 2005.

The yearly increase is the highest reported since the National Highway Traffic Safety Administration (NHTSA) began using its current traffic fatality tracking system in 1975.

During the pandemic deaths went down but surged again after coronavirus lockdowns ended in 2020 as more drivers engaged in unsafe behavior like speeding and driving under the influence of drugs or alcohol.

Traffic deaths in 2020 rose 6.8%, up 18% over pre-pandemic 2019 levels.

Forty-four U.S. states and the District of Columbia all are projected to have an increase in traffic deaths this year.

NHTSA said the fatality rate in 2021 fell slightly to 1.33 fatalities per 100 million miles traveled, down from 1.34 million in 2020, which was the highest rate since 2007. One factor for the big jump in 2020 was that drivers who remained on the roads engaged in riskier behavior as some motorists perceived police were less likely to issue tickets because of COVID-19, experts say.

NEED LIFE INSURANCE BUT DON'T WANT SOME HIGH PRESSURE SALESMAN IN YOUR HOME?

Go to our website at www.doubledayinsurance.com and click on Services and then on Life Insurance and you will be able to get a quote on your own. We have the same companies that Select Quote has and you can play around with the software until you get what you want. It will even help you find out how much you need for your family.

If you wish, we will sit down with you and answer any questions you may have.

With 56 years in the life insurance end of this business I'm certain we can help you find what you need and can afford. With inflation as high as it has been in recent years you may no longer have the protection you need to protect your family.

Term life insurance has dropped down in premiums in the past 10 years and, in most cases, it is much cheaper to protect your loved ones than you thought.

Do You Think Outside the Box? Answer One Simple Question to Find Out!

When you think of the most successful people you know, are they the kind of people who "**think outside the box"?** People like Steve Jobs, Bill Gates, Elon Musk, Albert Einstein, Ben Franklin, Thomas Edison, Mark Zuckerberg.

Out-of-the-box thinkers have **conviction in their vision** and are not afraid to fail.

Let's find out if you are an outside the box thinker (FYI, when I attempted to answer this question I failed it so it's not a litmus test, it's simply a question that's supposed to be thought-provoking).

Question: You are driving in your car on a stormy day. You pass by a bus stop and see three people waiting there.

1. The perfect woman of your dreams (or guy depending on your situation);
2. An old friend that once saved your life;
3. A lonely OLD lady who looks really sick.

If you only have **ONE SEAT left** in your car...**who would you offer a ride to?**

This question is a moral and ethical dilemma that was actually used on a job application.

Do you pick the old lady because she is in critical condition and you should save her first?

Do you take the old friend because this is your chance to pay him back for saving your life?

Both of the above choices leave you missing out on the woman of your dreams!

Out of 200 candidates for the job, one applicant had no problem answering the question.

To find out the answer to this question (I'll also tell you what I chose which was wrong), see page 6. Look for the word

ANSWER on page 5

HOW MUCH ARE YOU REALLY GETTING FROM YOUR CD?

CD's have been traditionally used as a safe growth option for retirement savings. Today's low interest rate environment has lowered the return on FDIC insured CDs. Taxes will also have an impact on the interest that a CD pays and a tax-deferred alternative may exist in Multi Year Guaranteed Annuities (MYGA).

As of today, August 25, 2022, you would be fortunate to get 1% on a CD. Our MYGA current rate guaranteed to last 6 years is 4.3%. That's a huge difference in interest rates. And it has been like this for the past few years at least.

In a MYGA, any applicable taxes and/or surrender charges are applied once the contract is withdrawn upon, this allows the money to grow in deferral. Annuities are not FDIC insured but rather backed by the strength of the issuing insurance company and backed up by the Iowa Guaranty fund up to $250,000 each contract. Contact us now as the rates change during the year and may go up or down but once issued stay the same for the length or term of the annuity.

Annuities are long term retirement vehicles. If you need access to your money in a year or two, a MYGA may not be right for you. If you have a three year, five year, or even longer time horizon, a MYGA may be an attractive option to protect and grow your retirement savings.

Give us a call at 515-964-0637 if you would like additional information on our Multi-Year Guaranteed Annuities.

AND... give us a call about our Annuities that will TRIPLE your deposit in them if you need Long Term Care later.

The Hidden Risks of Holding Assets in Trusts and LLCs

If there is one thing financial advisors understand, it's the critical importance of clarity in who owns a particular securities account. They know that if you make even an innocent mistake in the ownership record of an inherited individual retirement account, for example, your client may wind up with a tax bill of several thousand dollars.

Other kinds of costly ownership record problems can arise for wealthy clients when they place assets such as homes, boats and other property into trusts and limited liability corporations (LLCs).

Financial advisors don't usually get involved with the decisions to create these legal vehicles, and they can be useful tools for tax, privacy or other reasons. But if advisors are aware that trusts and LLCs exist, they can help clients avoid problems that may jeopardize a client's total wealth.

INSURING TRUSTS

Specifically, the problems involve trusts and LLCs often being inadequately insured, inappropriately insured or usually inadvertently - not insured at all. This often occurs because those involved in the creation of the trust or LLC neglected to consider relevant insurance implications. When a trust or LLC is not properly protected, its assets are put at risk, and that can present unexpected and unpleasant surprises for the trust's beneficiaries and those with interests in the LLC.

Advisors should know that insurance on property that has been put in a trust or has been transferred to an LLC can be handled in one of two ways: The LLC or trust can be the "named insured" on the policy, or it can be the "additional insured or additional interest" on the policy of the person(s) who placed the property in the trust or transferred ownership to an LLC. There are advantages and disadvantages to each option.

If the trust or LLC is the named insured, the advantage is that there is more complete separation between the trust or LLC and the beneficial owners. In the case of a house put in a trust that is the named insured, for example, the beneficial owners living in the house probably would have to buy renters' insurance to cover their personal belongings and personal liability insurance if they do not have such coverage extended from another location or policy. The reason for what might seem like duplicate coverage is that the beneficial owners and the trust are completely separate legal entities that require independent protection.

When a trust or LLC is named an additional insured or additional interest on the policy covering the property; the beneficial owners remain as the named insureds and don't need a separate renter's policy or personal liability policy for the property.

The downside to this is that there is not true separation between themselves and the legal entity that actually owns the property. That may create risks that the beneficial owners were trying to avoid when they placed the ownership of the property in the trust.

OTHER RISKS TO CONSIDER

Often, an LLC will employ domestic staff to maintain a residence. If it does, the LLC requires coverage for employment liability exposures. If the property owned by an LLC or trust is used to generate income or as a business enterprise, a ranch, farm or winery, for example, the LLC or trust will need commercial coverage.

This is an area where insurers with extensive experience in insuring successful individuals and families can provide family offices and other wealth managers with insights and sophisticated coverage options that will accomplish the objectives the client wishes.

For advisors, taking a holistic approach and asking clients about the legal entities they may have created can wind up greatly reducing client risk and delivering real peace of mind. We are not attorneys and are not giving legal advice. Contact your attorney if you have questions and they can contact us for insurance questions they have.

UNASHAMED LOVE

We have some friends that have a little boy who was born with a severe handicap that would cause him to go into very violent seizures without any warning. The father would usually be the one holding their son during worship services and I remember on one particular occasion when the little guy started into a seizure, the father got up and with a strong yet gentle love carried the boy to the back of the sanctuary where he held him close to his chest and rocked him, whispered to him, and did all he could to help his son through. One thing I noticed most of all was that there was no hint of embarrassment or frustration in that father's face —only love for his hurting son. I felt God speak to my own heart and in so many words say, "*That's just the way I love you through your imperfections. I'm not embarrassed to have people know that you are my son.* " I have come to know that in my times of greatest frustration that my Father draws me close and weathers the storm with me. How good it is that with all of our faults we have a Savior who is "not ashamed to call us brothers." That's love! Thank you Jesus!

A PASTOR'S EXCUSES

Twelve reasons why a local pastor stopped attending athletic events:
Every time I went, they asked me for money and the people with whom I had to sit didn't seem very friendly.
The seats were too hard and not comfortable and the coach never came to call on me.
The referee made a decision with which I could not agree.
I was sitting with some hypocrites—they came only to see what others were wearing.
Some games went into overtime and I was late getting home and the band played some numbers that I had never heard before.
The games were scheduled when I want to do other things & my parents took me to too many games when I was growing up.
Since I read a book on sports, I feel that I know more than the coaches anyhow.
I don't want to take my children because I want them to choose for themselves what sport they like best!

ANSWER:

The answer is this: **I would <u>give the car keys to my old friend</u> and let him <u>drive the old lady</u> to the hospital. I would then <u>stay behind</u> to wait for the bus <u>with the woman of my dreams!</u>**

Did you get the correct answer? I didn't. I felt for the old lady and thought she should be taken care of first. I figured my friend would agree and as for the woman of my dreams, I thought sacrificing a potential life with her was worth saving an old lady's life.

Will this question change the way you look at things? I hope so. I often think of this question when faced with a dilemma and I think it has helped me think outside the box when coming up with the best solution.

Most agencies are all the same. I believe we are an outside-the-box insurance agency. Others recommend the same products over and over and don't really lend value to their clients. We help you find the "best products" for your insurance needs, besides offering advice at claims time when the adjuster's are not correct because we know the products we sell, often more than those who adjust the claims. Many adjusters are fairly new and lack experience. We've been here in Ankeny for 56 years now and have way over 100 years of total experience. Experience is ALWAYS the best teacher, believe me. We've been in claims court many times on behalf of a client and only lost once so our batting average is pretty good.

Many times there are more than one way to look at a possible insurance claim. Companies have a tendency to look at it from their standpoint or based on their adjustors lack of experience. We look at it as if the claim was for our own property or loss because our clients are like our family to us.