

## YOU CAN NO LONGER IGNORE LONG TERM CARE

Through decades of dealing with clients, I have seen firsthand the many difficulties a family faces when one of its members has an extended illness.

Without proper planning, the person who is ill often must watch helplessly as their personal finances dwindle and they deal with the emotional stress of feeling like a burden to the family that is trying to help physically and financially. For the caregiver, taking care of a loved one frequently takes a toll on virtually every aspect of their lives: emotionally, economically and physically.

As we read article after article showing shockingly high statistics for those 65 and older that point to the increased risk of the need for long-term care, we can't help but realize how important the topic is. When you add in the pandemic that brought new realization to the potential frailty of health, you know we face a real problem. The financial impact that is all too often associated with access to care should be addressed during any planning meeting with your clients.

### **Finding Long Term Care Solutions**

Many individuals mistakenly believe that Medicare will pay for help with everyday activities, including dressing, bathing, using the bathroom, home-delivered meals, adult day care and other services. The 2021 Medicare & You Handbook states clearly on page 52 that Medicare does not cover these services, so your clients will need to develop an alternate plan to pay for these needs.

Long Term Care insurance is often a viable solution. An individual pays for long-term care insurance with their money, but their health is actually what enables them to buy it. So if you are currently in good enough health to purchase proper coverage, it is imperative that you do so.

Here are two examples of reasons individuals face the need for long-term care, as well as some resources to consider:

#### **1. Stroke**

Stroke is a leading cause of serious long term disability. Stroke recovery can be a confusing and challenging process for the survivor and the caregiver. The American Stroke Association is the place to find resources. Medicare pays for a variety of preventive services, including cardiovascular disease screening.

#### **2. Alzheimer's disease**

Older individuals with Alzheimer's disease or other forms of dementia have twice as many hospital stays per year as other people in the same age bracket. Seventy percent of the total lifetime cost of caring for someone with dementia is borne by families - either through out-of-pocket health and long-term care expenses or from the value of unpaid care.

Alzheimer's Association offers many resources, and Medicare pays for a cognitive assessment as part of an annual wellness visit.

Go to [Medicare.gov](https://www.medicare.gov) to learn more about coverage for skilled nursing facilities, durable medical equipment and home health services.

If you are sidestepping the topic of long-term care because you need more education, please seek out the information you need. The worst thing you can do is avoid the topic altogether.

Do you have money in a CD at the bank earning almost nothing for you? Well do I have a deal for you! Guaranteed Annuity now paying 3.85% for a full 5 years. Another one for 6 years paying 4.3%! Insurance companies are rated A- or better so they are strong companies. Minimum deposit is \$15,000—\$20,000 depending on the company. Call for details.

Another great product is paying double, or more, than the bank CD, AND it triples the amount you deposit if you need Long Term Care. So if you deposit \$100,000 you would have \$300,000 Long Term Care protection. Call us for the details here also. 515-964-0637.

## INFLATION OUTPACING PREMIUM INCREASES FOR AUTO AND HOME LINES OF INSURANCE

Insurers, already hammered by extraordinary losses caused by natural disasters, are failing to raise premiums at a pace that matches the inflation rate, according to the American Property Casualty Insurance Association.

APCIA said private property/casualty insurers experienced an \$11.3 billion underwriting loss in the third quarter of 2021. Incurred losses and loss adjustment expenses increased by 17.8% during that quarter, compared to the prior year. Yet direct written premium increased only 3.1% for auto and 8.4% for homeowners.

The claims inflation rate far surpassed the 7.5% increase in the Consumer Price Index that the Bureau of Labor Statistics announced in January, which was the highest inflation rate in 40 years.

APCIA issued two reports on March 4 that explain how rising costs are impacting the personal auto and homeowners lines. For auto, inflationary pressure is increasing the cost of repairs, car rentals and vehicle replacements. At the same time, the volume of traffic has roared back and was within 1% of pre-pandemic 2019 levels according to Department of Transportation data.

Motorists apparently acquired bad habits during the pandemic, causing increases in claim frequency throughout 2021. The vehicle crash fatality rate jumped 12% in the first nine months of 2021 compared to the same period in the prior year, to 1.36 deaths per 1 million miles driven, according to the National Highway Safety Administration.

"Since the start of the pandemic, Americans have embraced riskier driving behavior, such as impaired driving, speeding and failure to wear seatbelts" stated Robert Passmore, vice president of auto and claims policy for APCIA. "This concerning trend is leading to more crashes at a time when the cost of medical care and vehicle repairs are escalating".

For the homeowners' line, skyrocketing increases in building material costs follow a two-year spree that saw the highest natural disaster losses in history - \$176 billion 2020 and 2021. According to a report by Aon, 2021 was the fourth most extreme catastrophic loss year in history.

At the same time, home construction is rebounding after a short pause during the COVID-19 lockdowns in early 2020. The demand to build new homes while also replacing homes damaged or destroyed by floods and wildfires in the past two years pushed up the cost of lumber. An analysis by the National Association of Home Builders in January found that the aggregate cost of residential construction materials has increased almost 19% since December 2020. Shortages caused by supply chain bottlenecks in the supply chain exasperate the upward pressure on prices, the report says.

Price increases lead to higher claims costs. According to AM Best, the home-owners multi-peril direct losses incurred increased 40.3% over the last two years.

"Insurers are strongly encouraging property owners to harden their homes and businesses to reduce potential loss and damage" stated Karen Collins, assistant vice president for APCIA. "In addition, during the current cycle of extreme inflation, policyholders are encouraged to make sure they have enough insurance and are financially prepared should disaster strike!"



### DO WE HAVE YOUR EMAIL AND CURRENT PHONE NUMBERS

At the time of a disaster we need to be able to reach each other. If we don't have your email address and/or current phone numbers please let us have them today! And, if you change them, be sure to let us know that also. If we don't have your email, send us one today at [service@doubledayinsurance.com](mailto:service@doubledayinsurance.com).

We will be using email a lot more to inform you of new coverages available, to ask about coverage you may need, but don't have.

To contact us by cell phone call 515-249-3367. And, if you text us be sure you add your name to the text.

**8 WAYS TO SHUT DOWN HACKERS**

This is becoming a huge problem in America. Here are some ways to help you stay safe.

- 1. **Update Your Software:** Use anti-virus, anti-keylogging, anti-phishing, and other security software-including mobile security-and keep it updated.
- 2. **Change Passwords:** Keep them complex, unique, & change them regularly, and don't forget home devices like TV's , smart thermostats, or video doorbells.
- 3. **Don't Save Details:** Turn off autocomplete, don't save payment details, and clear browsing history to keep information away from hackers if they do manage to breach your device.
- 4. **Be Cautious of Links:** Phishing emails lead to most data compromises-if you're not expecting it, just delete it. Don't respond or "play" with the scammer, giving them confirmation your email is valid.
- 5. **Safe Wi-Fi Usage:** Don't connect to public or unsecure wi-fi, and use a Virtual Private Network (VPN) especially on mobile devices.
- 6. **Two-Factor Authentication (2FA):** Always use 2FA when it's available, and if it's not, think twice about using that platform.
- 7. **Limit Personal Sharing:** Play it casual on social, while gaming even on professional networking sites to keep your details safe from scammers who may use social engineering tricks to break into your accounts or scam your friends.
- 8. **Monitor Your Information:** Monitor your credit, Social Security number, and personal information on the Dark Web, so you get early indicators of potential issues.

**10 TIPS—Online Privacy For Kids & Adults**

- 1. Lock devices, cover cameras, turn off microphones, disable location services.
- 2. Keep privacy settings turned on for social media sites and others that collect data.
- 3. Restrict access to photos, voice, camera, health data, and contacts.
- 4. Use mobile threat detection services to alert on malware, fake apps , missing device security, and spoofed networks.
- 5. Install software with anti-virus, anti-keylogging, and anti-phishing protection.
- 6. Practice safe browsing, don't be tempted by dubious content
- 7. Be careful what you post, share, and otherwise expose to any site, or to those you may communicate with online.
- 8. Make online purchases from secure, known, and encrypted sites.
- 9. When in doubt, DELETE and don't respond, reach out through known contact details.
- 10. Watch children's online usage, and teach them safe online habits.



**WE ARE ON YOUR SIDE BUT.....**

**THIS IS A WARNING**

With all the recent claims we've had in Iowa the most often heard complaint we've had from new clients coming to us after the losses is that they were under insured. This was also the biggest complaint after the 1974 tornado and the 1980 hail storm here in Ankeny.

**WE NEVER HAD ONE CLIENT UNDERINSURED in any of these bad storms/losses.** We do our best to make sure you are protected as much as possible.



However, you need to help us keep it that way. And, YOU are responsible for the amount of coverage after a loss, not our agency. We just try to help you be certain you have the right coverage. Here are some ways you can help:

If you have done any improvement to your home itself that increased the square footage it would obviously take more to replace the home now. And, if you haven't notified the company, through us, it voids your guarantee replacement cost on your home if over a very low amount. We had a new client come in recently who had finished off their basement and the cost was over \$20,000. He didn't know he had to let the company know to keep his guaranteed replacement cost coverage so when he had the fire, he was underinsured. Keep this in mind if you plan on any remodeling.

Also, this same client had numerous items of personal property that should have been scheduled for their current values but weren't so he was way short here also. Unscheduled items can be capped by a sublimit and your loss over that would not be covered and could result in a large uninsured loss.

We just had a prospect come in yesterday to insure his home and auto and we found that the replacement cost on his home was way under what it should have been. The previous agent showed the square footage as a lot less than existed in the home. I would guess he was trying to beat someone's premium and chose to cheat on the square footage so the replacement cost could be much less than what it should have been, resulting in a lower premium. There has been no loss but if the home would burn down or blow away this person would be way underinsured.

Most of the insurance companies are taking pretty big increases on home insurance at this time. Some of the increase is because of all the recent losses but some of it is because they are trying to keep up with escalating replacement costs because of the recent storms also. So now you're getting a double whammy. But, the alternative is to have your most valuable asset left way underinsured.

As mentioned in a recent newsletter we sent out, we are finding that most detached garages are woefully underinsured. The homeowners policy gives you an additional 10% of the home coverage for detached garages, outbuildings, fences, etc. 10% isn't enough anymore we are finding. In fact I just increased my garage coverage (Coverage B on most policies) because of this.

You can have the best insurance policy we write and still lack proper coverage if these items are not addressed. Give us a call anytime you doubt that you have the proper coverage. We can do a replacement cost for you. Also, our Risk Reduction Questionnaire we send out each year should be looked at carefully. We do this, I don't know of another agency that does, because we don't want you to not have coverage when you have a loss if the coverage could have been on your policy. We don't know when you purchase your wife that expensive diamond ring. Or when you finish the basement. Or your child goes to college and lives off campus in a rented home/apartment. Call us and we can discuss it with you. We welcome your calls **BEFORE** the loss!



THINKING ABOUT PURCHASING AN ELECTRIC VEHICLE?

Here are some concerns of people who have purchased them.

15% of small and medium-sized businesses have leased or purchased electric vehicles (EVs) for commercial use.

Of those business owners and managers who have used EVs, 46% are somewhat or very concerned about the cyber exposures and safety of internet-connected and automated vehicles. 56% are somewhat or very concerned their vehicle could be immobilized or made inoperable, 54% about their safety being compromised, and 43% about a hacker communicating and confronting them over their audio system

When asked about their own experience, 13% of the business owners and managers said that, at some point, computer virus, hacking incident or other cyberattack had damaged or otherwise affected their commercial vehicles.

And 76% of business owners and managers who use EVs commercially worry that EV charging stations could be a target for cyber attacks.

IF You Save 15% on Car Insurance, Hang On To It Because You Might Need It If You Have a Claim

You've seen the reptilianlike commercials that say you *could* save 15% on your car insurance premium. Let's hope that's true because you just might need it if you have a claim with some carriers that advertise that way....

An independent agency's insured has an auto policy that includes collision coverage. The insured's daughter resides with her and the daughter owns a car insured with let's call them Chameleon Insurance Company. The daughter negligently ran into her mother's car. The mother does not want to file a collision claim with her insurer (whether that's a good idea or not is a blog topic for another day).

The daughter reports the claim to Chameleon and the adjuster denies it, saying that the policy does not cover damage to another vehicle in their insured's household. The mother's agent was not familiar with such an exclusion since it's not in the mother's policy nor any other policy the agency sells.

We were able to get a copy of the policy we believe the daughter has and it has a liability exclusion for "damage to ***your*** property or your spouse's property."

Under Definitions, "*your*" means "the policyholder named in the Declarations or his or her spouse if a resident of the same household." Unless the daughter's policy is issued in the mother's name, this does not apply. Another exclusion says there is no liability coverage that applies "to property owned or transported by ***an insured.***"

Under Definitions, "*insured means* a person or organization described under **PERSONS INSURED.**" Under **PERSONS INSURED**, the list includes "*you* and ***your relatives.***"

Under Definitions, "*Relative means* a person related to you who resides in your household."

Aside from the issue of whether this is the daughter's vs. the mother's household ("*your* household"), assuming this language simply refers to a resident relative, the mother would be a resident relative and this exclusion WOULD apply. Many times at claim time the most important thing isn't the premium you pay, it's the wording of the contract you purchased.

I've seen some pretty stripped down policies in my 56 years and if the client knew the difference they would gladly pay a few dollars more for the much better coverage. Unless you are an agent with years of experience and one who actually reads these policies it's almost impossible to understand them. Most agents don't!

EARTHQUAKE IN IOWA???

Large and devastating earthquakes in the U.S. are most commonly associated with the West Coast for good reason since the worst quakes in recent years, including the massive 1989 quake in the San Francisco area that killed 63 people and injured nearly 3,800 have mostly been in the West.

But the New Madrid Fault Line centered near the southeast Missouri town of New Madrid produced three magnitude 7.5 to 7.7 earthquakes that rang church bells as far away as South Carolina, caused farmland to sink into swamps and briefly caused the Mississippi River to flow backward.

Those quakes happened in late 1811 and early 1812. Though the fault line still produces about 200 small earthquakes each year, people within the region have heard warnings for so long about the next Big One that, for many, it goes in one ear and out the other.

"Because it hasn't happened, and with people's busy everyday lives, it kind of falls into the background. The earthquake threat received the most attention more than three decades ago when climatologist Browning predicted a 50-50 chance of a big earthquake on a specific day Dec. 3, 1990. His prediction drew scores of journalists and onlookers to New Madrid to see - nothing.

Still, experts believe there is a 7-10% chance of a magnitude 7.0 or greater earthquake in the next 50 years within the New Madrid zone, and a 25-40% chance of a smaller but still potentially devastating magnitude 6.0 quake. The Midwestern risk is "similar to the chances in California;" said Thomas Pratt, Central and Eastern U.S. coordinator for the U.S. Geological Survey's Earthquake Hazards Program.

Matthew Clutter, a Federal Emergency Management Agency operational planner, said a magnitude 7.7 earthquake in the New Madrid zone could displace nearly 850,000 people in up to eight states. With roads and bridges compromised, emergency aid might be cut off from the impacted areas due to damage.

"If all eight states are affected there's going to be a fight for resources;" Clutter said.

Do I carry earthquake coverage on my home policy because I think it will happen tomorrow? No! I carry it because of the huge loss that might occur if an earthquake would strike again like it did in 1811-1812. Had Des Moines been of any great size back then it would have been a mess and I don't even want to think about the great loss if my home would be destroyed by earthquake. I don't carry wind and fire insurance because I think it will happen to my home. I carry it because of the financial loss if either should occur.

The cost of Earthquake coverage is very small. Most homes in Ankeny that have this coverage pay in the neighborhood of \$35-\$100 a year and most are at the low end. Give us a call if you want to add this coverage.

NEW COVERAGE NOW AVAILABLE ON YOUR HOME POLICY

- ◇ Cyber coverage is now available on most homeowners policies. We are seeing a large increase in losses from this exposure. Home Cyber Protection is a suite of coverages and services built to respond to computer and home system attacks, cyber extortion, fraud, and breaches of personal information of others.
- ◇ Equipment Breakdown coverage for major appliances like your furnace and air conditioner and more is now available.
- ◇ Coverage for replacement or repair of lines coming into your home underground. Sewer lines and power lines are the cost common losses for this coverage. Less premium and better coverage than you can get from outside companies.
- ◇ Inland Flood: When inland waters, such as streams or rivers, overflow and partially or completely cover normally dry land. • Unusual, rapid rain accumulation, runoff or snowmelt that doesn't drain away or soak into the ground. • When water carries mud and becomes a mudflow. (Only through Auto-Owners at this time.)
- ◇ Special, HO5, coverage covers losing or misplacing personal items, accidental staining, scorching, not just 17 perils like the HO3 but if it's not excluded it's covered on the HO5. **NOT ALL ARE AVAILABLE THRU ALL OF OUR COMPANIES YET!**

## DOUBLEDAY INSURANCE AGENCY, INC.

110 SE Grant St., Ste. 203  
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Vol 3, 2022  
Printed July 2022

# TRUSTED AGENT

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### DOES POOR CREDIT MATTER?

Yes! Especially in insurance premiums. It can make a huge difference on car insurance. —a \$1,537 difference. The difference in good or poor credit averages to an extra 114% more in premium per year even when both have the same driving record. But if the average driver happens to have a hit-and-run accident, the rate goes up an average of \$1,212 a year.

The average annual premium for drivers in the exceptional credit tier is \$1,350. For those in the very poor tier, the average annual premium is \$2,887. That's quite a difference.

But, if you can move up even just one credit tier it can save you an average of 17% nationally. Those with the worst credit scores benefit the most by improving. The move from "very poor" to "average" saves 20%

**The average annual premium savings for a driver who moves from the "very poor" to the "average" credit tier is \$591!**

### TO CONTACT US:

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

Website: [www.doubledayinsurance.com](http://www.doubledayinsurance.com)

Email: First name of

[agent@doubledayinsurance.com](mailto:agent@doubledayinsurance.com)

(Lew, Chad, Chris, Denise)

Example: [lew@doubledayinsurance.com](mailto:lew@doubledayinsurance.com)

Or [service@doubledayinsurance.com](mailto:service@doubledayinsurance.com)

**EMERGENCY NUMBER: 515-249-3367**

### THINK YOU KNOW YOUR SPOUSE?????

Artificial intelligence can create such a realistic human face that you can't even tell it from the real face! And, they even trust the fake face more!

Research asked 315 people to say whether they could distinguish a selection of 400 fake photos generated by an AI program, from 400 photos of real people. Each set consisted of 100 people from four ethnic groups: white, black, East Asian and South Asian.

People accurately identified the real people 48% of the time, which is slightly worse than chance. A second group of 219 people was given training to recognize computer-generated faces and had an accuracy rate of 59%.

Another group of 223 people was asked to rate a selection of the same faces on their level of trustworthiness on a scale of 1 to 7. They actually rated the fake faces as 8% more trustworthy on average than the real faces.

White faces were the hardest for people to tell if they were real or fake, maybe because the synthesis software was trained on disproportionately more white faces, the researchers pointed out.

I believe this is my wife, Connee Loo on the far right but I'm more sure because of those around her, on Mother's Day. On the far left is Chris's wife Shelly, next to her is Connees brother's wife Becky and next to her and Connee is Chad's wife Becky. Down front is Connee's mom Dorothy at age 101 She still drives and lives alone in Nevada and does her own lawn!! I hope I'm still here when she reaches 110!



## OUR \$50 WINNERS FOR APRIL MAY and JUNE ARE: Corey Sievers and Tobie Liberty! THANK YOU!

Our \$50 gift certificate is in the mail to you now! We appreciate you referring your friends and fellow workers to our agency.

The least you can get for a referral is \$10 gift card. With gas so high we are sending the \$10 gift card to each one who refers anyone to us to help pay for gas!!

Pulled up next to a car being driven by a young man yesterday. He had his cell phone out and was holding onto it above the steering wheel and texting. If you are one who is doing this please stop. 5 seconds is the average time your eyes are off the road while texting. If you're traveling at 55mph, that's enough time to cover the length of a football field. Stay safe while driving and talk and text later when out of your vehicle.

