

## DRIVERS BE- WARE: STAGED AC- CIDENTS

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## Steering Clear of Staged Accidents

It happens more than you think—a driver causes an accident to collect the insurance money—and you could become the victim.

### The Sudden Stop:

“It happens like this,” says Hartford Special Investigations Manager Odie Waters, “I’m driving along, minding my own business, in rush hour traffic, and the car in front of me inexplicably slams on (the) brakes. I rear-end that car and I get blamed for the accident.” The driver of the first car will claim that a “phantom” dog or child ran into the road, or that the car in front of them had stopped suddenly, although that car will not be involved in the accident. Any witnesses will have driven off long before the police arrive, and it’s nearly impossible



**When on the road, beware of these types of staged accidents. Be cautious of the wave through and your following distance.**

to prove a dog didn’t dart out.

### Inattentive Targets in Traffic:

The drivers in such a scam cruise clogged highways and city streets, watching in the rearview mirror, looking for someone not paying

attention. In the past, two cars might employ a tactic called the “swoop and squat,” where one car would crowd the victim from behind and another would stop suddenly in front.

### The Phantom Wave:

Another type of staged accident can occur when a driver is trying to merge. The scam artist will wave you into the lane and then crash into the side of your vehicle. This can also happen when someone is backing out of a parking space. A second car will stop and wave the first car out, as if waiting for the space, but then drive into the first vehicle. In both cases, the scam artist denies stopping or waving, and police find the victim at fault for failing to yield the right of way.

## Tips to Avoid Staged Accidents

How you can avoid a staged accident:

- Pay attention to the road—no applying make-up, shaving, texting, or talking on cell phone.
- Be wary of ‘beater’ cars—especially if they are changing lanes suspiciously. Even if

the driver has no ill-intent, the condition of the car might mean a poor driver.

- Maintain a safe following distance.
- Call police and the insurance company promptly after an accident. If the other driver discourages

you from doing so, it is all the more important to call promptly.

- Tell your claims handler if the accident seems suspicious.

**\$5 Referral Thank You Program Extended Until Year-end!!!**

*Just remember to have your referral mention your name at the time of the quote.*



*“Annuities are stable retirement fund vehicles that are not as responsive to the whims of the stock market.”*

*“Each year, an estimated 5,000,000 water heaters will be replaced due to ruptures.”*

## Mutual Funds or Annuity???

With the recent Wall Street scare, some people are wondering if now is a good time to invest or if they should forego investment until the things straighten out.

Over the years, stocks and mutual funds have been the answer to many investors goals, but now that the downturn has struck what is an investor to do?

One answer to that would be to start or rollover your current market aimed retirement savings into bond

driven annuities. Annuities are stable retirement fund vehicles that are not as responsive to the whims of the stock market. In fact, there is generally an inverse relationship between stocks and bonds meaning that as stocks decrease in value, bonds typically increase. This is a great counter to the volatile stock market and in most cases, the company will guarantee an interest rate. The next thing to consider is the fees that are

associated and with our Annuities, there are no fees attached. This means that if you are guaranteed 4.5% interest, you will not be surprised to see a back end fee that is gobbling up your earnings on the principal. While the interest rates are not as attractive as what was once promised or expected on stock and mutual funds, they do have guaranteed interest rates that have to be honored unlike the stock and mutual funds.

## Water Heater Failures

When was the last time you thought about your water heater? Most people don't unless it stops working during a power outage. It's wonderful that something works so dependably for years and years, but that wonderful service can lull you into complacency and have drastic consequences. Did you know...

- 29.7% of all water heaters in the US will

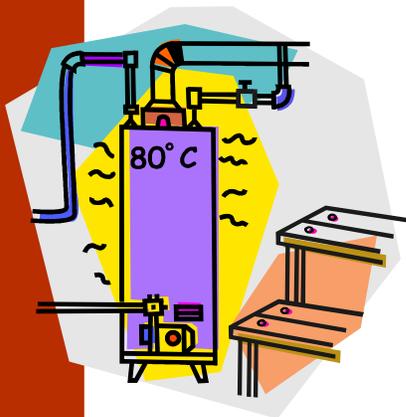
rupture before they're 9 years old.

- Over 69% of water heaters will rupture by age 14.
- Each year, an estimated 5,000,000 water heaters will be replaced due to ruptures. A hot water heater will fail regardless of whether or not the water is flowing or the resident is home.
- The repair costs from water heater ruptures can be among the most expensive because the heater is inside the home, holds large quantities of mold inducing hot water, and can go unnoticed for long periods of time.
- Decreasing the amount of water heater failures by half could potentially save the insurance industry an estimated 5-10 billion dol-

lars a year.

To protect your home from the devastating effects of a hot water heater failure, be sure to visually inspect the heater monthly, check the age and replace hot water heaters after 10 years, and talk to your plumber about placing the heater in an area that won't be greatly affected by water like your garage, basement, or crawlspace. Never put a hot water heater in your attic. If it fails, the water will affect every part of the home under the unit causing tremendous amounts of aggravation to the homeowner and a major expense to the insurance company.

**This article provided by David Todd of PuroClean. For all your service needs contact David at 515-270-1671.**



# Ten Emergency Kit Essentials for a Safer Road Trip

**Article provided by Hagerty Classic Auto Insurance.**

Traverse City, MI (June 2006)- No matter how much attention you lavish on your vehicle, there is a good chance something could go wrong on the road. To avoid major headaches when unforeseen mishaps do occur, Hagerty suggests 10 important items that smart drivers shouldn't leave home without.

- Tool Kit- include flat and Phillips head screwdrivers, channel lock pliers, an adjustable wrench and a good - quality lug wrench.
- Spare tire- check the pressure and tread wear on all tires, including the spare. Keep a quality tire gauge



and jack in your vehicle at all times.

- Flashlight- Necessary for nighttime emergencies. Make sure to check batteries periodically.
- Cell Phone- check the battery life and bring the phones adaptable charger.
- Fire Extinguisher- essential protection for your family and your car, buy an ABC rated, UL listed model, such as a common 2A: 10 BC extinguisher.
- Jumper cables/Fuses/Bulb\_ these items can solve many issues like a dead battery, blown headlight fuse, or taillight bulb.
- First Aid Kit- one from the store or general pharmacy should do just fine. You can add items according to your family needs.
- Blanket, Food, and Water- water not only keeps you hydrated, but it's essential for an overheated engine. A blanket and food will help if you're stranded for a lengthy time period.
- Spare Fluids- two quarts of

oil and some coolant will do. You may want to bring along an empty gas container, just in case you run out of gas on the road.

- Flares/Caution Signs- its always safer to ignite flares for evening and nighttime breakdowns.

"This is a standard list that every driver should consider," says McKeel Hagerty, CEO of Hagerty. "Travelers will want to customize their emergency kits based on specific problems to which their vehicle might be more susceptible, as well as the length and location of their trip, and the season of the year. Certainly wire cutters, duct tape, extra fan belts, hoses and hose clamps are also great items to have at hand."

***"To avoid major headaches when unforeseen mishaps occur, Hagerty suggests 10 important items... you shouldn't leave home without."***



# Absolute Kitchen: Scalloped Potatoes and Ham

Recipe provided by Bessie Eastvold. The Advisor would like to thank Bessie for all her help with recipes. They have all been wonderful and we hope to get some more from her.

- 6 cups sliced thin potatoes
- 3 Tablespoons of butter
- 2 Tblsp of Flour

- 3 Cups Milk
- Diced ham (as much as you like)

Melt the butter and add flour and milk. Stir and cook until smooth. Add the potatoes and turn down heat and simmer for 6-7 minutes. Add the diced ham and some salt and pepper to taste, if desired.

Pour in a casserole dish and bake for 40-45 minutes at 350 degrees or until potatoes are done. The leftovers do freeze very well. Enjoy!

If you have an interest in sharing a recipe or want us to find one, please send the request to Dan @insaia.com. We'd love to hear from you!



## Group Benefits Limited on H.S.A. Advantages

Imagine having control and ownership over your health insurance. Suppose you could pay for minor health emergencies without breaking the bank. Assume you can have these benefits on a tax-free basis. Now stop dreaming – you can make this reality by enrolling in a high deductible health plan and opening a health savings account.

Health savings accounts (HSAs) were established in 2003 to help families and individuals save for future and current healthcare costs. An HSA is a savings account designed to save for and pay for healthcare expenses on a tax-free basis.

HSAs are packaged with high-deductible health plans (HDHPs), which feature lower premium amounts than those charged for traditional plans. For generally healthy individuals and families, HSAs can provide savings on their health insurance that goes beyond other

health plans. The money you save with lower premium amounts can be added to your HSA, helping to reduce your out-of-pocket expenses.

HSAs can even pay for “qualified medical expenses” not covered by traditional health insurance plans. You can use money saved in an HSA to pay for a new pair of glasses, your child’s orthodontia, chiropractic care, and even over-the-counter pain relievers and cold medicines. Best of all, you can pay for the expenses of you, your spouse and your dependent children, even if they are not covered by your HDHP.

### How does it work?

Once your HSA is established along with a HDHP, you choose how much money to contribute to the account. Any money you put into an HSA can be deducted from your federal income tax return.

Much like a 401(k) or IRA, your

account will earn interest according to how you choose to invest the money. When the time comes to make a withdrawal, you have the choice of which medical expenses to pay and when to withdraw funds. As an added tax incentive, withdrawals remain tax-free if used to pay for “qualified medical expenses.”

Any funds withdrawn used for other purposes are taxable as income and subject to a 10% tax penalty. After age 65, the 10% penalty no longer applies.

### Advantages of HSA’s

- You own your account. There is no “use it or lose it” rule.
- You control how much you save, when to take it out, and how to invest the money in the account.
- You can save up for your current or future medical expenses. Your HSA can cover you if you are unemployed, pay for medical expenses after retirement, and can protect you against any unexpected or high medical bills.
- Although you can no longer contribute to an HSA if you joined Medicare, your HSA can still be used to pay for expenses before Medicare coverage is applied as well as any out-of-pocket expenses while you’re on Medicare.

***“An HSA is a savings account designed to save for and pay for healthcare expenses on a tax-free basis.”***



**(Article provided by Ben Dorenkamp of Group Benefits Ltd)**

# You've Got Some Q's : We've Got the A's

**Q:** Why does it matter whose name is on the title?

**A:** This is an important question and the answer is because the owner (titled individual) is ultimately liable for the vehicle. For instance, if you are driving your friend's vehicle, and you get into a horrible accident that is your fault, the owner could still be sued after all insurance has been exhausted. As the liability of the insurance follows the vehicle, so does the liability of the titled owner of that vehicle. Most insurance companies will want the insurance named in the same way the cars are titled.

**Q:** Flood Insurance will cover my belongings in my basement, right?

**A:** No. Flood insurance has limited coverage in basements period. In fact, Flood Coverage will only recognize food freezers, heat pumps, sump pumps, water pumps, washers, and dryers as covered property in the basement. These are NOT covered to replacement cost either.



**Q:** I was waved through while trying to get out of a parking lot and was hit by another driver. Is this my fault since I was waved through?

**A:** Yes. This actually happens quite a bit. To begin, never rely on another driver to be your eyes and ears on the road. Often times, the other driver is not looking at all parts of the road to make sure you are safe to pass through. As the first article in this newsletter explained, be wary that you might be waved through and then hit by the driver that did the waving! Fact is, only you know when it is best to go through and you can never rely on the judgment of another driver. Be cautious of these situations, and better to be slow or late than in an accident.



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