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Insurance & Financial Services

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Staying in touch Keeping you informed on Personal Insurance issues



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Recognizing Identity Theft

Consider the following scenario: After weeks of test drives and some negotiating with auto dealerships, you finally decide on the new car you want to buy. You're able to make a significant down payment, and you choose to finance the balance with a loan provided by the manufacturer. You have visions of leisurely weekend drives through the country, but they suddenly come to a screeching halt when your salesperson informs you that your loan has been turned down. Like many people, you carry some debt with a mortgage, but you pride yourself on making timely payments on all your bills.



In order to determine why your loan was denied, you order a copy of your credit report. When it arrives, you are surprised to see there are accounts under your name that you never opened—and none of them have been paid. Your existing credit card balances are higher than you remember them. How could this happen?

You may have been the victim of **identity theft**—defined as when someone, “knowingly transfers or uses, without lawful authority, a means of identification of another person with the intent to commit, or to aid or abet, any unlawful activity that constitutes a violation of Federal law, or that constitutes a felony under any applicable state or local law.”* Consider the following steps to help keep your good name—and good credit—protected:

1. If you must give out personal information while making a purchase, be aware of your surroundings and do so discreetly.
2. Order a copy of your credit report once a year and check it for accuracy. You can obtain one free credit report per year from each of the three major credit bureaus by visiting www.annualcreditreport.com.
3. Do not give out personal information over the phone unless you made the call yourself.
4. Purchase a paper shredder to destroy any documents, receipts, and mail that contain your personal information.
5. Avoid using your Social Security number unless absolutely necessary. This includes replacing it with another number on your driver's license.

**Source: Identity Theft and Assumption Deterrence Act of 1998.*

Create a Fire Escape Plan for Your Family

According to the National Fire Protection Association (NFPA, 2010), “Fire can spread rapidly through your home, leaving you as little as two minutes to escape safely once the alarm sounds. Your ability to get out depends on advance warning from smoke alarms and advance planning—a home fire escape plan that everyone in your family is familiar with and has practiced.”

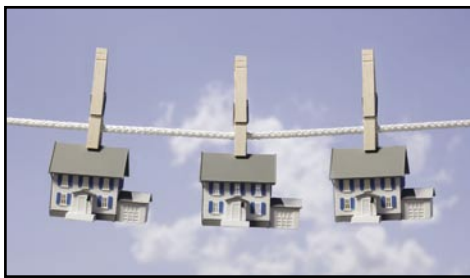
If possible, plan at least two escape routes, and designate a spot outside where everyone can meet for a headcount. Be sure to check that all doors and windows along your routes open easily. If necessary, assign someone to assist children and elderly family members, as they may be unable to escape without help. Be sure to practice your escape plan twice a year: once during the day and once at night.

Never go back into a burning building. Once you're out, stay out! If someone is missing, inform the fire department dispatcher when you call. Firefighters have the skills and equipment necessary to perform rescues.

Annual Reviews: Does Your Insurance Coverage Still “Fit”?

As the seasons come and go, many of us reach into our closets only to discover our clothes no longer fit or suit our current needs. If this has happened to you, you're not alone. Life is constantly changing. Things that may have worked well in the past often need to be “altered” as our lives and circumstances change.

The same holds true for your insurance. Is your coverage still adequate for your needs? If you haven't reviewed your coverage lately, it's possible your policies no longer fit your current circumstances. Periodic reviews may help you avoid costly insurance gaps. Here are some considerations for the six basic types of personal insurance:



Homeowners Insurance

One of the largest investments many people will ever make is the purchase of a home. A general rule of thumb is to protect this valuable asset by purchasing enough **homeowners insurance** to be able to rebuild your home and replace the contents at current replacement value. Remember, the replacement cost of your home and its contents changes as building costs rise and as you acquire new possessions. Therefore, it's wise to periodically review your coverage to make sure it's sufficient. Renters should also periodically review and update their **renters policies** as they accumulate possessions.

Auto Insurance

Your main concern with auto insurance is to keep the liability limits high enough to protect your income and assets should an accident result in a lawsuit. To save money on premiums, consider increasing your deductibles.

Personal Umbrella Insurance

It's possible the liability coverage on your homeowners and auto insurance

policies may not provide adequate protection in the event you are sued. **Personal umbrella insurance** provides coverage above and beyond your other policy limits. An umbrella is available in million-dollar increments.

Life Insurance

You are probably aware of the importance of having enough **life insurance** coverage to handle the financial contingencies that may affect your family in the event of your death. However, determining the necessary amount of life insurance can be complicated. One rule of thumb is that you should have enough coverage to equal five to seven times your annual salary. Rather than using an arbitrary formula, though, you may want to determine the “right” amount of life insurance coverage with a careful **“needs analysis.”** This approach incorporates an evaluation of your family's most important financial obligations and goals, including mortgage debt, college expenses, estate tax liabilities, and future family income. Be sure to review your coverage as your assets increase over time and as you experience major life changes, such as the birth of a child or retirement.

Disability Income Insurance

Many people do not have **disability income insurance**, which provides a certain level of income replacement if you experience a disability that prevents you from working. Be sure to coordinate your coverage with any coverage offered by your employer and adjust your coverage amounts as your income increases.

Health Insurance

Like most people, you may need only basic **health coverage**. However, lengthy hospital stays and costly medical treatment may require a major medical policy. If your employer does not provide health insurance, *individual* and *family* policies may be available. If you're temporarily between jobs, you may want to consider a short-term policy.

Take the time to review your insurance to determine the right coverage for you and your family. As you can see, having insurance that “fits” is important.

Did You Know?

Teens, Cell Phones, and Driving

A 2009 Pew Internet & American Life Project survey of 800 young people found that teens engage in dangerous behavior with cell phones while driving. Results revealed that 26% of those ages 16 to 17 have texted while driving, and 43% have talked on a cell phone while driving. Almost half (48%) of teens ages 12 to 17 say they have been in a car when the driver was texting, and 40%, when the driver used a cell phone in a way that put themselves or others in danger.

Home Fires and Cooking

According to a 2009 report from the National Fire Protection Association, U.S. fire departments responded to about 150,200 home fires involving cooking equipment between 2003 and 2006. These fires caused an annual average of 500 deaths, 4,660 injuries, and \$756 million in property damage. Ranges, with or without ovens, account for the majority of the fires (59%) and even more associated deaths (88%) and injuries (77%). Unattended equipment is the leading cause of cooking fires.

Auto Industry Trends

In a 2009 KPMG survey, 200 senior auto executives were asked to rate alternative fuel technologies according to importance to the auto industry over the next five years. Hybrid systems were ranked first, followed by battery electric power, fuel cell electric power, and biodiesel, respectively. Fuel efficiency was ranked as the feature believed to have the biggest impact on consumers' purchasing decisions, while “environmental friendliness” was second.