

# Lampton/Engle & Associates

## Insurance & Financial Services

Brian E. Lampton • John R. Engle, LUTCF

1326 Parkway Drive  
Beavercreek, OH 45432  
Tel: (937) 427-8444  
Fax: (937) 427-3118

## Staying in touch

Keeping you informed on *Personal Insurance* issues



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## When It Pours, You Need an Umbrella

In addition to reviewing and updating your insurance program on a regular basis, you may be able to prevent possible gaps in coverage by purchasing a **personal umbrella policy**. Once used only by high net worth individuals, personal umbrella policies have become a viable option for anyone who may need or want *extra* liability protection.

In today's world, liability protection can be important. A personal umbrella expands the liability coverage you may already have through your **homeowners** and/or **automobile insurance policies**, and helps protect you from unforeseen circumstances.

### Umbrella Provisions

Most umbrella policies provide at least \$1,000,000 in excess liability protection. An umbrella can also include many situations that are not covered under your current policies.

The following are some of the benefits included in a personal umbrella policy:

- Payment for legal defense expenses when primary insurance coverage does not apply.
- Protection from risk while you are traveling for business or leisure outside of the country. Umbrella protection is generally applicable worldwide.

- Coverage for a watercraft that is used rarely (not more than 30 days per year) or is in storage, as well as any non-owned recreational vehicles.

### Umbrella Exclusions

There are some situations that may not be covered under the umbrella policy. For instance, umbrellas usually do not apply to uninsured motorists, business property, or professional activities.

Further, you may have to meet certain eligibility requirements to qualify for an umbrella. You may need, for example, to purchase higher liability limits on your current auto and homeowners policies in order to satisfy the umbrella policy's underlying requirements. Also, if young drivers are listed on your policy, or you have committed numerous traffic violations, or own a speedboat, you may have more difficulty in obtaining a personal umbrella policy.

However, it may be worth your while in the long run to consider a personal umbrella policy. Should you ever be involved in a lawsuit, any gaps in your current liability coverage could end up costing you. For more information on this valuable protection plan, be sure to consult one of our qualified professionals.

## Safety Tips for Anti-Lock Brakes

In an emergency, anti-lock brakes can help you control your car's steering by preventing the wheels from locking up. But, it may take some practice getting used to them. If you own a car with four-wheel anti-lock brakes, consider these two safety tips:

Practice braking in an empty parking lot. Maintain *firm* and *continuous* pressure on the pedal when braking. *Avoid* pumping the brakes as this turns the system on and off. ABS, an anti-lock braking system, pumps the brakes automatically, at a much faster rate, while allowing for better steering control.

Always steer your car *away* from danger when applying the brakes. Allow a distance of at least three seconds between you and the car in front of you. If conditions are hazardous, allow more time.

When used properly, anti-lock brakes are a great safety feature. Consult your owner's manual for additional driving instructions.

# Buyer Beware: Flood Vehicle Fraud on the Rise

The number of natural disasters has increased at an alarming rate in recent years, devastating communities across the country. Floods, in particular, can cause excessive damage to property including vehicles, often rendering them inoperable. "Flood vehicles" have sustained partial or total submersion in water, resulting in damage to the engine, transmission, body, or other major components. Generally, inoperable flood vehicles are evaluated by insurance companies as "total losses" and then sold as "salvage" at car auctions.

Some of these salvage vehicles are bought at auction by dishonest car dealers who engage in "title washing," meaning they camouflage the flood damage, and intentionally omit certain information on the title, as required. The same vehicles are then shipped to states untouched by the disaster and put up for sale. Unfortunately, customers in the market to buy a decent used car in a state without "lemon" laws or legal protection from used car scams could become victims of this costly crime.

After the post-Katrina upsurge in this type of fraud in 2005, the National Insurance Crime Bureau (NICB) developed a free database research service for potential used car buyers to access a vehicle's history. The vehicle identification number (VIN) check reveals information on floods, accidents, or even fake odometer mileage gathered from participating NICB member insurance company records. In some cases, this can be a valuable tool in the initial stages of shopping around. However, a combination of common sense and some investigative footwork is usually the best approach for protection from used car scammers.

## Tips for Preventing Flood Vehicle Fraud

When starting out on your quest to find a decent used vehicle for the best price, choose dealerships with solid reputations and involve friends or family in the decision making process. Be sure to steer clear of any tempting deal that sounds too good to be true, such as a ridiculously underpriced late-model vehicle, no matter what the explanation for the low price tag may be.

The NICB provides the following in-depth tips to help protect consumers from flood vehicle fraud:

**Do your research.** Don't be afraid to ask a used car dealer or private seller about the vehicle's history of accidents or floods. Run a title search or VIN check to verify information. Check the title and ownership paperwork for any red flags that indicate salvage fraud.

**Consult a certified mechanic.** Long-term flood damage is not always noticeable on the surface. A qualified professional can perform a thorough check on the engine, transmission, electrical system, and other major parts, and also take the vehicle for a test drive.



**Fully inspect the interior.** Look carefully for water stains or mildew under the mats, carpet, and behind the dashboard. Notice if carpeting looks recently shampooed or if the upholstery and door panels are faded. Inspect for grit or mud in the spare tire area, alternator crevices, and around the power steering pumps and hard-to-reach recesses. Be aware of damaged door speakers or rust in unusual places where water would not ordinarily reach, such as on screws in the console. Pull the seat belt all the way out to look for mildew.

**Check under the hood.** To see if oxidation has occurred, check for any signs of rust, a green patina, white powder, or pitting on metal parts near the electrical and mechanical connections.

Shopping for a decent used car at a reasonable price may seem like a daunting task at first. But if you take a common sense approach and thoroughly inspect the vehicle and its paperwork, you may save time and money in the long run. Remember, if a deal sounds too good to be true, walk away.

## For Your Information

### Computer Security

The Internet provides access to many products and services. At the same time, it can leave you open to identity theft and scams while compromising the security of your computer. For expert tips on how to protect your personal information online and your computer at home or on the road, you can visit [onguardonline.gov](http://onguardonline.gov). Topics include getting rid of viruses, safely disposing old computers, reducing file sharing risks, and securing your laptop from thieves.

### Reduce Telemarketer Calls

The National Do Not Call Registry limits telemarketing calls to your home and cell phones. Once you register your phone number(s), telemarketers covered by the Registry have up to 31 days from when you register to stop calling you. They are required to delete all Registry phone numbers from their call lists. Once registered, your phone number(s) may be shared with law enforcement. To register or learn more, visit [www.donotcall.gov](http://www.donotcall.gov).

### Cutting Home Energy Costs

About 1 in 5 of the nation's energy dollars is spent in homes. Improving energy efficiency could cut this number by more than one-half. The Home Energy Saver™ (HES) is an interactive do-it-yourself home energy assessment tool that empowers homeowners and renters to save money, live healthier by reducing indoor air pollution, and help the environment. For more information on energy-saving upgrades and conservation, go to [www.hes.lbl.gov](http://www.hes.lbl.gov).