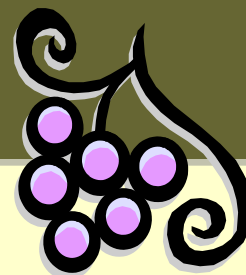


WELCH'S INSURANCE TIDBITS



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Are your vehicles scheduled on a commercial auto policy owned under a different name?

It's not uncommon for individuals with the legal entity of corporation, LLC, LLP, etc. to insure vehicles that are purchased and/or titled under their personal names or the name of an employee on their commercial auto policy. Even though the vehicle is scheduled on the policy, there will be a coverage gap. Here's why:

"Who is an insured" is defined as:

- a. You for any covered "auto". (Remember: **"You" is the Named Insured** – in this case the corporation, LLC, LLP, etc., not the individual who owns the business and not the employees.)
- b. **Anyone else**, while using with your permission, covered "auto" you own, hire or borrow, **EXCEPT (1) the owner** or anyone else from whom you hire or borrow a covered "auto". (So although the individual is driving his/her own vehicle which is scheduled on the policy, he/she will have no coverage because of the exception.)

Therefore, although you've provided the **Named Insured** with coverage for this vehicle, the owner of the vehicle would not be provided any coverage under the commercial auto policy even though the owner may be considered a permissive user.

How can you prevent this gap in coverage?

If the individual **vehicle owner is a primary owner of the business**:

You may be able to add him/her as an additional Named Insured for "auto coverage only"

If the individual **vehicle owner is an employee** of the business:

A formal lease agreement should be drawn up between the individual and the business entity. The vehicle will then be scheduled on form CA 99 47 – Employees as Lessor.

This endorsement provides that:

Any "auto" described in the Schedule (of this form) will be considered a covered "auto" you own and not a covered "auto" you hire, borrow or lease under the coverage for which it is a covered "auto".

It also provides that:

While any covered "auto" described in the Schedule (on this form) is leased to you by one of your "employees", "Who Is An Insured" is changed to include that "employee" as an "insured".

The coverage provided by CA 99 47 in on a primary basis since the vehicle is now considered as one that is owned by the Named Insured. ■

Quick Boating Tips

While you enjoy the Mississippi and other rivers this summer, you should always make sure you are prepared for any situation. If you know you'll be near a dam, you should program the number of it in your cell phone in case of emergency or call 911.

Dam Safety Awareness:

1. Obey all warning signs, barriers and flashing lights, horns and sirens.
2. Wear a personal flotation device (PFD), a life jacket.
3. Leave your boat motor running to provide maneuvering power.
4. Stay clear of spillways. Changing currents and "boiling" waves can make boat control difficult near dams.
5. Reverse currents occur below dams; they can pull a boat back toward the dam into the spillway and capsize it. ■

Did you know?

Did you know that we have a public website? Please visit us at www.welchsins.com. *Now also look for Welch's Insurance on Facebook and become a fan.* *Did you know* that we do free camcordings of your home? *Did you know* that we sell life insurance and annuities as well as auto and home insurance? *Did you know* we sell commercial insurance? *Did you know* we had a referral program? Give us a call for more information. ■

Welch's Cooking Corner

Too Much Chocolate Cake by Denise and allrecipes.com

Ingredients:

- 1 (18.25 ounce) package devil's food cake mix
- 1 (5.9 ounce) package instant chocolate pudding mix
- 1 cup sour cream
- 1 cup vegetable oil
- 4 eggs
- ½ cup warm water
- 2 cups semisweet chocolate chips

Directions:

1. Preheat oven to 350 degrees F (175 degrees C).
2. In a large bowl, mix together the cake and pudding mixes, sour cream, oil, beaten eggs and water. Stir in the chocolate chips and pour batter into a well greased 12 cup bundt pan.
3. Bake for 50 to 55 minutes or until top is springy to the touch and a wooden toothpick inserted comes out clean. Cool cake thoroughly in pan at least an hour and a half before inverting onto a plate. If desired, dust the cake with powdered sugar.

Calories: 598, total fat: 38.6g, cholesterol: 88mg ■

Are you prepared for an emergency?

If an emergency happened today would you know what to do? Who do you call besides 911? Below we have made a list of some important phone numbers you may need in an emergency situation. We have also provided some websites that give you information on severe weather awareness and what you need for an emergency supply kit and emergency plan.

Emergency contacts:

Poison control – 800-222-1222

Mental Health – 319-524-3873

Keokuk Area Hospital – 319-524-7150

Fort Madison Community Hospital – 319-372-6530

Lee County Sheriff – 319-372-1152 or 800-382-8900

Iowa State Patrol – 641-472-5001

Disaster planning, are you prepared if a disaster would happen? If a disaster happens you may need to survive on your own. Local officials and relief workers will be on the scene after a disaster, but they cannot reach everyone immediately. It could take hours or days before you got help, are you prepared? Everyone should have an emergency supply kit that has water, food, battery powered or hand crank radio and flashlight, Extra batteries and more. Visit www.ready.gov for a complete list. This website will also help you make a plan with simple forms you can print from their website. Another good website that can help you is www.redcross.org, their website is filled with valuable information on how to build an emergency kit, make a plan and stay informed. Another website with a lot of information for disaster planning is www.nws.noaa.gov. This website has a preparedness guide that opens in a adobe format that is great for printing out and having on hand. Your safety is no joke so please visit one or all of the websites and be prepared. ■

“Just in Case” Coverage

by Gary Tiffany, MSFS, CLU, ChFC, LUTCF

Did you ever buy anything “just in case”- meaning you bought it because you thought you might need it sometime in the future, but weren’t sure if you would or not? In today’s economy, making sure all your bases are covered is extremely important. We never know what life is going to throw at us. Our actions NOT to do something may affect us more than our actions TO do something.

Many people have an emergency generator to use just in case there’s a power failure. They may never need it, but...it’s there just in case. When *The Future* suddenly appears on our doorstep, having some “Just in Case” coverage can be the difference between confidence that everything’s going to be all right and panic. Life insurance is everyone’s “emergency generator” because life insurance can restore financial security exactly when it is needed. Its main purpose is to provide a pile of cash to the family after the breadwinner dies. The money that dependents receive through the death benefit is important because it can help pay the mortgage, run the household, and ensure that dependents aren’t burdened with debt. It can also mean that they won’t have to sell assets to pay outstanding bills or taxes.

Life insurance can provide the resources to care for a disabled child when the caregiver is no longer around or it can help fund a child’s college education. It can also replace gifts an individual might make to a favorite charity. No other vehicle gives back so much more than what is put into it.

Even individuals with large estates need life insurance because those estates typically have very little liquidity. Everything is generally tied up in hard assets, not cash, and those hard assets cannot easily be passed to heirs – at least, not for full value. Life insurance is the only financial vehicle that can deliver the peace of mind that an individual’s wishes can be carried out as planned.

You don’t want your spouse or business partner scrambling around looking for money to pay the mortgage or the payroll when you die. Ask yourself “*What will happen if I die before I’m supposed to? How will my family or business survive? Will there be enough money to make ends meet – tomorrow?*”

There are no guarantees in life – unless you have life insurance. It’s the only way to guarantee that money is there exactly when it’s needed. It’s your security blanket. Whatever your needs are, consider buying some “just in case” coverage. You never know when you’ll need it! ■

Gary Tiffany, MSFS, CLU, ChFC, LUTCF is an Advanced Life Sales Specialist with Pekin Life Insurance Company.

Backup of Sewer & Drains... Will your homeowner’s insurance cover this?

By www.insurance4usa.com

Fall and spring tend to be our wettest seasons making our homes most susceptible to the backup of sewer and drain lines. While these events don’t occur often, when they do, the problem can be a small disaster. Did you know a standard homeowner’s policy excludes coverage for such an event?

It’s true! The backup of sewer and drains as well as the failure of a sump pump is excluded. The damage you sustain from either of these problems will not be covered and you’ll be responsible to pay for the loss and clean up. If you have a finished basement, or use your basement for storage, you shouldn’t go without this coverage.

The damage could be quite costly. Normally the damage occurs in the basement, which houses the mechanical systems of the house such as: washer and dryer, furnace, hot water tank etc. Water or sewage usually destroys anything it comes in contact with. For the thousands of dollars in damage, it would be well worth purchasing the additional coverage with your homeowner’s policy to cover such an event. The key is to ask your agent what the best option is. ■

Tidbits

To all of our rural clients we would like to remind you to keep the weeds cleared from your 911 Signs and if the numbers aren’t visible from the road any longer due to fading have them replaced. This is important so emergency vehicles can find you!

Catch us on the radio. You can follow the saga of Welch’s Insurance on 103.1, 97.3 and 95.3 FM.

Have you retired recently? If you are no longer driving back and forth to work you may be able to lower your auto insurance premium. Give us a call. ■

Welch's Insurance Goes Green

Welch's Insurance thinks that it's keen to go "Green"! Part of our process of going "Green" is to try to reduce the amount of paper that we use in the office. There is 83 million tons of paper thrown away each year and only about half of that is recycled. Much of that wasted paper is generated by businesses. The average office worker uses 10,000 sheets of copy paper per year - that's one sheet every 12 minutes.

Approximately 90 percent of the writing and printing paper made in the United States is virgin paper (paper made from wood pulp and containing no recycled material), according to the Recycled Paper Coalition. Recycled paper makes environmental and financial sense, because compared with virgin paper, it:

- Saves trees, water, energy, and landfill space
- Produces less air, water, and soil pollution
- Helps protect ecosystems
- Requires less bleaching during manufacturing, which reduces the use and the need to dispose of toxic chemicals

You can be a part of Welch's going "Green" process by giving us your email address. We can email you for a signature and even this newsletter instead of printing another piece of paper to mail to you. ■

Earthquake insurance are you covered?

Possibly the most important thing to know about earthquake insurance is this: A basic homeowners policy does not cover earthquake damage. Even if you don't live in an area where earthquakes are common, it's possible you might need earthquake insurance.

Earthquakes have occurred in 39 states since 1900, and about 90% of Americans live in areas considered seismically active. Yet only a small percentage of people purchase earthquake insurance.

Homeowner, condo, and rental insurance policies do not cover damage by an earthquake, but coverage can be purchased as an endorsement or a separate policy. Earthquake insurance can be quite inexpensive depending on where you live. Contact your insurance agent or company to find out what the costs would be for your home.

The New Madrid Fault, which runs through Arkansas, Kentucky, Missouri and Tennessee, has insurers worried. According to the Insurance Information Institute, there's a 40 to 63% chance the region will suffer an earthquake with a 6.0 magnitude in the next 15 years. See the full article at <https://articles.moneycentral.msn.com/Insurance/Insureyourhome/Getthefactsonearthquakeinsurance.aspx>. And give us a call to see how you can get earthquake coverage. ■

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