

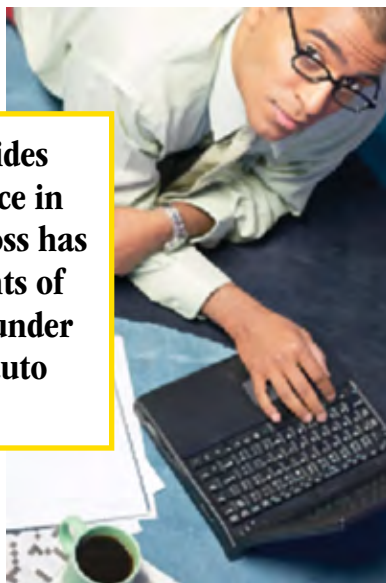


Facebook Follies: Will Your Insurance Help If You Say the Wrong Thing?

Social networking Web sites, such as MySpace, Facebook and LinkedIn, are growing increasingly popular with young people and adults alike. These sites allow people to reconnect with old friends and colleagues and to make new connections. However, as with most other Web sites, these sites allow the posting of communications that the posters may come to regret. These posts can cause hard feelings and may result in significant financial loss.

In the winter of 2009, a teenager from Oceanside, New York sued Facebook, four of her high school classmates, and their parents for \$3 million. The suit accused the four classmates of bullying and humiliating her in a forum on Facebook. They allegedly posted derogatory and false statements about her that were intended to hold her up to "public hatred, ridicule and disgrace." Whether or not the allegations prove to be true, the teenagers and their parents need legal defense and possibly resources to pay judgments against them. They may look to their homeowner's insurance policies to cover these costs, but will the policies respond?

An umbrella provides additional insurance in situations where a loss has used up the amounts of liability insurance under homeowner's or auto policies.



A standard policy will probably not cover this. The policy pays amounts for which the policyholder (the insured) is legally liable, plus the costs of legal defense, for bodily injury or property damage done to someone else. The policy defines bodily injury as meaning bodily harm, sickness or disease; it defines property damage as injury to, destruction of, or loss of use of physical property. Neither of these definitions includes saying or publishing something that injures another's reputation or feelings. Consequently, the policy is unlikely to cover a post on Facebook. The girl from Oceanside did not allege that her classmates hurt her body, made her sick or passed her a disease; she accused them of making her life miserable. The policy does not cover that offense.

Insurance companies may offer special personal injury coverage that can be added to homeowner's policies. This coverage pays for the insured's liability for several offenses, including oral or written publication of material that violates someone's privacy. If any of the Oceanside classmates' parents have this coverage, their insurance may cover the claims.

Another potential source of coverage is a personal umbrella policy. An umbrella provides additional insurance

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Welcome to the Jackson & Jackson Insurance Agents and Brokers Newsletter!

It is with great satisfaction that we bring this newsletter to you. In this issue and in coming months, we will discuss pertinent insurance topics which may affect you and your family. We sincerely hope that you will find this newsletter informative and please do not hesitate to contact us should you have any questions or needs.



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Beyond the Law: Setting Stricter Limits for Your Teen Driver

Research shows motor vehicle crashes are the leading cause of teen deaths. Tragically, 3,490 teenage drivers (between the ages of 15-20) died in car accidents in 2006 alone, according to the Insurance Institute for Highway Safety (IIHS).

The IIHS, along with other driving safety groups, has spent decades studying teen vehicle fatalities to determine what specific behaviors put teenage drivers in the danger zone. Their research reveals that driving at night, driving with passengers, receiving a learner's permit before the age of 16 and getting a full license before the age of 18 put teens at a much higher risk of having an accident.

Unfortunately, state laws have failed to keep pace with the latest research. Many critics say states simply aren't doing enough to protect teens on the road. That's why the IIHS is imploring parents to step up and set stricter driving limits for their teen drivers.

If you want to keep your teenager safe on the road, consider the following advice the IIHS has to offer:

Make them wait

According to the IIHS, 16-year-olds have the highest rate of car crashes than drivers of any age. Sadly, many of these accidents prove to be fatal. This is why the institute strongly encourages parents to wait until their child turns 16 before allowing them to get a learner's permit and until 17 to get a driver's license.

Once the teen receives their learner's permit, the IIHS says parents should put their teen through a learner stage that lasts at least six months. Parents should supervise a minimum of 30-50 hours of their teen's driving before allowing them to get a full license.

After the teen earns their driver's license, the institute says parents should restrict their teen's driving until he or she is at least 18 years old. Specifically, teens should not drive at night and be limited to just one or no non-adult passengers.

Restrict night driving

Once your teen has earned his license, it's crucial to restrict him from driving at night until he is at least 18. A 2003 IIHS report shows that driving between the hours of 9 p.m. and 5:59 a.m. triples a 16-year-old's risk of having a fatal car crash.

Not only is it harder to drive in the dark because of low visibility, but teens are typically more tired at night. Driver fatigue is a major contributing factor when it comes to night-time teen crashes. Of course, the chance of teenagers consuming alcohol also increases as soon as the sun sets. According to the NHTSA, 31 percent of teen drivers killed in 2006 had been drinking.

Limit teen passengers

More than half of all deaths in crashes of 16 and 17-year old drivers occur when passengers under the age of 20 are in the car with no adult supervision. When a teen driver has a teen passenger in the car, they are twice as likely to have a fatal crash, according to IIHS. When a teen has three or more teenage passengers, their risk of a fatal crash is three times higher than if they had no passengers.

Of course, it's no surprise why this is the case: passengers often cause distractions for teen drivers. However, researchers also believe that teens often "show off" for their teenage passengers by speeding and making riskier choices on the road.



Don't let state laws dictate the driving limits for your teenager. The research shows that state legislation is simply too lenient for most teenagers. As soon as your child is old enough to understand, start preparing him or her for your unique household driving rules. If you make the idea of "no driver's license until you're 17" a family mantra, your teen will be prepared for it when the time comes.

Of course, if you tell your 15-year-old she'll have to wait until she's 17 to get a full driver's license, you'll probably meet some serious resistance. You'll also have to listen to endless complaints when you tell your teen he can't drive at night and is not allowed to have passengers. While it's never fun to play the "bad guy" or upset your teen, it will be well worth it in the long run. Stick to your guns—after all, it could save your child's life.

For more information on teen driving safety, visit www.iihs.org.

Don't Float Your Boat Until You Know It's Protected

Americans love to take to the water because it provides a feeling of freedom and a sense of adventure. But boating can have a dark side, too. According to the U.S. Coast Guard, there were 5,191 boating accidents reported in 2007. However, this is probably only the tip of the iceberg. The Coast Guard believes that more than 80 percent of all boating accidents go unreported.

Given this level of risk for accidents, it would make sense that boat owners would look for a way to protect themselves, but that doesn't seem to be the case. A study conducted by Progressive Insurance revealed that 29 percent of U.S. boat owners don't own a separate watercraft policy. That's probably because boat owners assume that their craft is covered by their personal auto policy or their homeowner's policy. This is a mistake that can cost them big time.

The standard auto policy covers the boat trailer for liability with the option to add coverage for physical damage. The boat itself, however, is not covered for liability or damage.

Some homeowner's policies offer coverage for physical damage for boats, but only for smaller vessels. The typical homeowner's policy contains a special property limit of \$1,500 on watercraft, which doesn't begin to equal the dollar value of most boats. In addition, the covered perils specific to the boat are also greatly restricted.

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There is also liability coverage available for boats under the majority of homeowner's policies, but once again, it is only applicable to smaller watercraft. The only exception is a boat with an outboard motor. That means that any type of boat you own that is powered by an inboard or inboard-outboard motor is excluded from liability coverage under the homeowner's policy.

Because most boat owners are unaware how large a property and liability loss they expose themselves to without proper insurance, the Institutional Risk Management Institute (IRMI) has created a list of loss scenarios that demonstrate the need for specialized boat owners coverage:

- Your cruiser collides with a speedboat whose operator fails to yield the right of way, causing extensive damage to your boat. The owner of the speedboat does not have any insurance coverage.
- An expensive bass boat you just purchased is stolen from your home.
- Your 27-foot-long sailboat is damaged by a major hail-storm while docked at the marina.
- Your sport fishing boat is struck by lightning, incapacitating its electrical system.
- Your son's friend is water skiing behind your boat and he falls into the lake, injuring himself, due to the excessive speed of the boat.
- You negligently cause another boat to overturn to avoid a collision.
- Your outboard motor explodes, seriously injuring your next-door neighbor.

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in situations where a loss has used up the amounts of liability insurance under homeowner's or auto policies. It also covers some liability losses that those policies do not cover, such as personal injury losses. Umbrellas typically carry a deductible of \$250 or \$500. Suppose one of the parents in the Oceanside case does not have personal injury coverage on his homeowner's policy, but he does have an umbrella. The umbrella will pay for his and his child's defense and their shares of any judgment, minus the \$250 deductible. If he does have the coverage on his homeowner's policy, this policy will pay until its limits are exhausted, and the umbrella will pay the rest, up to its limit.

The costs of enhanced homeowner's policies and personal umbrella policies will vary from one insurer to another. Also, the terms of umbrella policies vary among companies. An insurance agent can provide information on coverage options and prices.

Communicating online has become an ordinary part of life today. Web sites like Facebook offer new and exciting ways to meet new people and to stay in touch with people all over the globe. However, they bring with them their own unique risks. Anyone using sites like these should be careful with what they and their children are saying, and they should make sure they have proper insurance backing them up.

Protect Your Assets with an Umbrella Policy

Hopefully, you will never be served with legal papers and involved in a costly lawsuit. But in the event you are, it will be imperative that you have the insurance to cover your legal liability. That's where a personal liability umbrella policy can help.

Umbrella policies supplement the liability coverage you have through home and auto insurance and provide an extra layer of security by protecting your assets that might be at risk in a liability lawsuit.

If you don't have enough liability coverage from your homeowner's and auto policies to adequately resolve a claim, the person suing you can go after your home and your other assets to pay for damages. Umbrella policies cover damage claims that you, your dependents, or even your pets may cause.

Umbrella policies kick in after, and pay in addition to, your auto and homeowner's insurance liability limits. The bulk of the risk is assumed under the primary auto or home policy, which enables insurers to offer umbrella policies at very reasonable costs.

However, most insurance companies will not sell an umbrella policy unless both your auto and homeowner's insurance is with them. In addition, your insurer may stipulate that your auto or homeowner's liability limits be at least a certain amount, such as \$200,000 to \$300,000.

Umbrella policies are generally sold with a deductible that might run anywhere from \$250 to \$1,000, pocket change if you're being sued for millions!

Umbrella policies provide much broader coverage in case you are sued, covering you if you cause bodily injury, property damage, or personal injury. Certain umbrella policies also cover you if you face liability arising from your service on the board of a civic, charitable, or religious organization.

Umbrella policies typically do not cover claims from business endeavors. If you own a business, even a small one, you'll need to purchase business insurance to protect yourself from business-related liability claims.

To determine if you need an umbrella policy, analyze your risk of being sued and the assets you have at risk. Do you have a swimming pool or trampoline that may pose a threat to visitors? Of course, you may decide your personal situation makes lawsuits very unlikely.

Before making any decision, compare the umbrella premium with the cost of raising the liability limits on your auto and homeowner's policies. It may work to your advantage to raise these current limits by several hundred thousand dollars, and you may come out spending less than you would on umbrella policy premiums.



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