

THE ADVISOR

The official newsletter for Deland, Gibson customers and friends

Volume 3, Issue 2

MASS AUTO REFORM UPDATE

As you may recall from our previous edition of *The Advisor* ("What Auto Reform Means For You"), auto insurance rates were set by the Division of Insurance before April 1, 2008. Under the new system, companies now set their own rates, which go into effect unless they are challenged and disallowed by the insurance commissioner. Drivers whose policies renewed on April 1st were the first to obtain the new rates set under the competitive system. Many insurance companies now offer new and additional coverages, higher limits and lower or waived deductibles under certain circumstances.

A few of the new coverages that companies now offer include:

Replacement Cost Coverage

Some companies will pay the cost to replace your car, if it is a new model with less than a certain number of miles.

Loan/Lease Gap Coverage

For an additional premium, the insurance company will pay the actual cash value of your vehicle plus the difference between the actual cash value and what you actually owe on the loan or lease.

Original Equipment Manufacturer (OEM) Parts

For an additional premium, you can assure that your car will always be repaired with parts made by your car's manufacturer.

Replacement Cost and Loss of Use for Rental Cars

For those who rent cars for business or vacation use, some companies will offer a replacement cost option for rental cars that will pay the cost to replace the rental vehicle if it is a total loss. It will also cover the cost to repair the rental car, plus the loss of rental income while the vehicle is being repaired.



Other Coverages

Some companies will also offer special packages such as enhanced towing options, coverage for accidental deployment of airbags, reimbursement for personal effects in the vehicle, extended rental, and emergency road travel expenses.

Remember the amount that you pay will depend on your individual risk factors, such as your driving record and other rating factors approved by the commissioner. Maintaining a clean driving record is still the best way to decrease your rates.

LETTER FROM THE PRESIDENT



Dear Valued Customer,

What insurance provides is peace of mind. No one ever wants to think about what would happen in the event of an auto accident or if damage occurred to your home. Hopefully, you will never suffer a claim. But if you do, the most important thing at the time will be that you are properly protected.

So, let's take a look at some possible scenarios.

If you were involved in a multiple auto accident that was your fault, and the total damages exceeded \$300,000, would you like that to come out of your savings account or your insurance policy?

If there was a fire where you live, where would you and your family want to spend the night? It's probably the last thing you would want to think about after such an event.

This is why it is important to work with your Deland, Gibson agent to review your coverage options and explore possible endorsements. We've even made it easier for you by including a worksheet on our website, www.delandgibsonins.com, for you to clearly see what you have and what you need to be properly protected.

If you have any questions about any of the topics we cover in this newsletter, please do not hesitate to contact me personally or your agent. Also, we always want to hear from you about any topics you would like us to cover.

Sincerely,

Charles W. Gibson, President



WHAT DO I RISK WHEN I RENT SAILBOATS, HOUSEBOATS, JET SKIS, AND OTHER WATERCRAFT?



Other than the obvious risk of physical injury, there are important coverage issues that you need to know about when renting boats. Just like rental car companies, most marinas hold renters liable for damage. As with your personal auto policy that often covers you when renting a car, your homeowners policy provides coverage for certain non-owned watercraft.

The following watercraft often are covered under homeowners policies:

- Rented watercraft that is 50hp or less - this excludes many, if not most, rented jet skis.
- Borrowed/used/operated inboard or inboard-outboard craft of any horsepower (not rented).
- Any non-owned outboard watercraft, regardless of length or horsepower (not rented).
- Rented sailboats less than 26 feet in length.
- Any other non-motorized watercraft such as kayaks, rafts, canoes, and rowboats.
- Rented power boats with an outboard engine have no liability exclusion, regardless of the horsepower.

As you can see if the watercraft is just borrowed or being used or operated and not owned, it should be covered under your homeowners. Your policy should also protect you for third-party liability since you neither owned nor rented the watercraft.

Rented power boats with an inboard engine with more than 50 horse-power are excluded.

Jet skis are probably the most frequent type of rented watercraft. Most jet skis also have more than 50 horse-power engines, and rented jet skis in this category are also excluded for liability under the standard homeowners policy.



EMPLOYEE NEWS



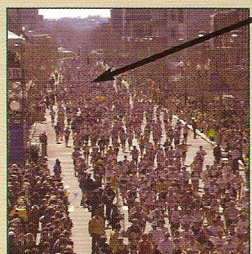
Cheryl A. Kiefer has joined the agency as a commercial lines account executive, bringing her over 23 years of commercial insurance experience. While she considers herself a generalist in commercial insurance, she also has developed an expertise in specialty lines including marine, fidelity, directors and officers, and surety coverages. Prior to her new position at Deland, Gibson, she has worked in the industry as a senior account manager, marketing manager, surety manager and a production underwriter. A resident of Natick, she enjoys gardening, travel and spending time with her family, especially sea-shelling with her daughter. Active in the community, she has volunteered for Junior Achievement.



Diane Sepe has also joined Deland, Gibson as a personal lines account manager, where she will utilize her 22 years of insurance experience in home, auto, personal umbrella, high value homes, and specialty lines. Prior to joining Deland, Gibson, she worked as a sales executive and as an assistant account manager for a large commercial property carrier. In addition to being a licensed Property & Casualty agent, she also has received the Certified Insurance Service Representatives (CISR) designation. Active in the community, Diane is the current president of King Philip Music Association, a non-profit organization that raises funds to support the music program at the King Philip Regional High School in Wrentham. She and her husband spend much of their free time volunteering to assist community music programs in which their son and two daughters participate.



JoNan Salisbury, who has worked as a commercial lines account executive for Deland, Gibson, has moved to the new position of insurance producer. She brings to her new position a knowledge of working within multiple insurance markets providing coverage analysis and reviews.



2008 Boston Marathon

Charles "Chip" Gibson, Jr., a producer for Deland, Gibson, completed the running of the 112th Boston Marathon held on April 21, 2008. With a respectable time of 4 hours 36 minutes, Chip not only finished the grueling race, but also helped raise over \$19,000 for the Dana-Farber Cancer Institute. Deland, Gibson provided over \$1,000 in donations from their "Jeans for Charity" fund.



DO YOU NEED FLOOD INSURANCE?

Flood damage can occur anywhere at any time of the year, not just during hurricane season and not only in coastal areas. Melting snow, severe rain, overflowing rivers and ponds have all been known to cause water damage. Last year Massachusetts received a federal disaster declaration following mid-April's severe storms and flooding.

This is why you need to purchase flood insurance. An additional flood policy provides coverage for all of the structural damage to your home and mechanicals as well as to surfaces such as tile and carpet, and clean-up of debris. Flood insurance does not cover basement improvements, such as finished walls, floors or ceilings or personal belongings and furniture that are in the basement. It is important to note that flood damage is not covered under your homeowners policy.

The average cost of a \$100,000 flood insurance policy could be as low as \$250 per year, which is far more affordable than the high reconstruction costs. It takes 30 days for your policy to take effect, so it is a good idea to acquire this coverage before any threat becomes apparent.

If you are interested in inquiring about flood insurance, call your Deland, Gibson agent at 781.237.1515.



ASK THE AGENT

MICHAEL SABBAGH

Senior Vice President and Commercial Lines Manager

Q. Should I purchase Rental Car Insurance when I am on a business trip?

A. Yes. If you return a rented vehicle in damaged condition, you will likely receive one bill for repairs and another bill for diminution of value, which is the reduction in a vehicle's market value due to it having been in an accident.

Many rental companies do not want to put a repaired vehicle back into their rental fleet, so rather than repairing a damaged vehicle and charging you for the repairs, they sometimes sell the damaged car and then charge you for the difference between the market value of the vehicle on the day of rental and the amount the vehicle brought at auction.

The purchase of the collision damage waiver offered by the rental car company is the only way to obtain full coverage. When the CDW is purchased, the rental company will waive its right to hold you responsible if the terms of the waiver are followed. Be sure to read the terms of the waiver. Valet parking is sometimes excluded.

We recommend that you purchase rental insurance including the collision damage waiver coverage. While the cost for this coverage may seem very expensive, (usually \$15 to \$30 per day), its purchase could ultimately save you thousands of dollars.

If you have a question for Mike, email him at msabbagh@delandgibsonins.com.



DEDUCTIBLES YOU SHOULD KNOW THIS HURRICANE SEASON

HURRICANE

Hurricane deductibles are applied to damage solely from hurricanes.

WINDSTORM

Windstorm or wind/hail deductibles are triggered by any kind of wind damage.

NAMED STORM

A named storm deductible involves a storm, cyclone, typhoon, atmospheric disturbance, depression or other weather phenomena designated by the US National Weather Service where a number or name has been applied.

Deductibles vary among insurance companies and may include either a

dollar amount or a minimum percentage. These deductibles are typically applied to any property coverage on your homeowners policy, such as the replacement cost to rebuild your home or to replace your contents and furniture.

The amount that the homeowner pays on a deductible depends on the home's insured value and the "trigger" selected by the insurance company, which determines circumstances under which the deductible applies.

Percentage deductibles typically vary from one percent of a home's insured value to five percent.



IF YOU HAVE A CLAIM, HOW MUCH CAN YOU AFFORD TO LOSE?

To make certain that you have appropriate liability limits for your automobile, homeowners, and personal umbrella policy, we have developed a "How Much Can You Afford to Lose" worksheet for you to add up your assets so you can see what you need to protect. Please visit our web site, www.delandgibsonins.com, to download the worksheet.

DELAND GIBSON
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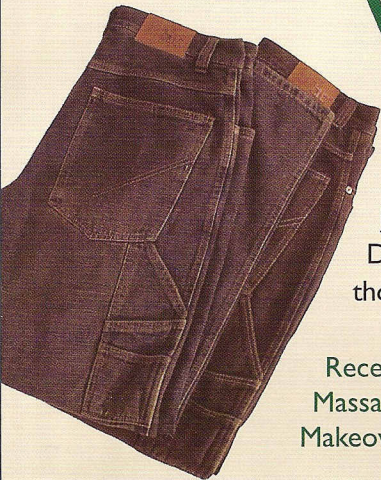
Faxes:

**Personal Lines 781.237.4903
Commercial Lines 781.237.1805
Claims 781.237.4160**

**Summer Office Hours:
(Memorial Day - Labor Day)**

**Monday-Thursday • 8am-4:30pm
Friday • 8am-3:30pm**

WHY ARE WE IN JEANS?



If you come into our office on Fridays and see our employees in jeans, we're not just dressing-down, but also working for charity. Employees who choose to wear jeans on Fridays make a \$5 donation, and every quarter Deland, Gibson will match the collective donation, giving thousands to the charity of our employees' choice.

Recently, we helped the Paul Giunta family of Maynard, Massachusetts. They are being featured on ABC's Extreme Makeover: Home Edition on May 11th.

**DOING OUR BEST FOR THE
GOOD OF OUR CLIENT**

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