



**AN INSURANCE EVALUATION  
PREPARED FOR:**

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## *Auto Insurance Proposal*

Coverage	Current Coverage	Recommended Coverage
Bodily Injury	\$100,000/\$300,000	\$250,000/\$500,000
Property Damage	\$50,000	\$100,000
Uninsured/Underinsured Motorist	\$30,000/\$60,000	\$250,000/\$500,000
Collision Waiver/UMPD	Included	Included
Medical Coverage	\$2,000	\$5,000
Comprehensive Deductible	\$500	\$250
Collision Deductible	\$500	\$1,000
Loss of Use	\$30/day up to 30 days	\$40/day up to 30 days
Towing and Road Service	\$75 per disablement	\$100 per disablement
Disappearing Deductible	Not available	Included
Annual Premium	\$2,856	\$2,976

### **Comments and Recommendations:**

- We recommend that you increase your liability limits to the numbers shown above. This is how much coverage you will have if you hit and injure someone else. In California, an injured third party can come after your assets and future income if you are found liable. We want to be sure there is enough coverage to protect you against most claims. Higher limits are also available. **We also have a model to help you determine your actual loss exposure based and your assets and income.**
- Another area of concern is your Uninsured/Underinsured Motorist coverage. These coverages protect you and your passengers. The limit you have is relatively low. While many people may have insurance, it may not be enough to pay for your loss if you were severely injured. Your Underinsured Motorist only pays up to the difference between your coverage limit and the Liability limit of the person that injured you. Therefore, remaining at your current coverage limits your ability to collect on such a claim.
- Since you are self-employed, a serious accident could impact your income. This coverage can be extremely important unless you have a good disability policy in place to replace that lost income.
- Another recommendation I am making is that you add some limited medical coverage to the policy. This can come in handy if there are any injuries from an accident and fault is not quickly determined. This is good for some basic chiropractic or physical therapy needs after an accident and applies to all people (including you or passengers) in your car.
- Our recommendation also includes a lower comprehensive deductible. Since comprehensive losses do not raise your rates and most comprehensive losses are out of your control (like a cracked windshield, vandalism, theft, etc...), the lower deductible makes it financially easier for you to deal with such claims.

- We are also recommending a higher collision deductible. In most cases, it does not make sense to file a small collision claim for an accident that is your fault. It is likely that you would pay more in higher insurance rates versus the cost to fix your own car. This is not always the case and we will be happy to review any scenarios with you. Increasing your deductible helps reduce your costs as well.
- The Hartford AARP policy offers some extra “bells and whistles”. For example, it has a disappearing deductible. Every year with a clear record, your collision deductible drops by \$50. They also offer a “No Drop Promise” which means they will not cancel your policy, even if you need to make some claims. Finally, they also have a reimbursement program that pays expenses like housecleaning or dog walking if you are unable to perform these activities after an accident.

### *Home Insurance Proposal*

Coverage	Current Coverage	Recommended Coverage
Replacement Cost	\$360,000	\$408,000
Extended Replacement Cost	Extended Replacement \$360,000 x 125% = \$450,000	Extended Replacement \$408,000 x 150% = \$612,000
Separate Structures	\$36,000	\$40,800
Personal Property	\$270,000	\$306,000
Contents Replacement Cost	Included	Included
Loss of Use	\$72,000	\$122,400
Personal Liability	\$500,000	\$500,000
Personal Injury	Included	Included
Guest Medical	\$1,000	\$5,000
Basic ID Theft Reimbursement	Included	Included
Building Ordinance and Law	\$36,000	\$40,800
Deductible	\$500	\$1,500
Annual Premium	\$1,007	\$856

#### **Comments and Recommendations:**

- Based on the features of your home, your current replacement cost coverage seems too low. Our proposal above reflects information from our replacement cost estimator.
- Our policy also includes 50% extended replacement cost. That means if you have a total loss, you will have 50% extra coverage over and above the replacement cost that we estimated.

- With the higher estimated replacement cost, the coverage for separate structures, contents, and loss of use are also higher. These higher coverages will be important to ensure that you have the coverage you need after a large loss.
- While the loss of use coverage is lower than what you currently have, the coverage we recommend would still be sufficient to allow you to rent elsewhere in a similar home for at least 24 months, cover the cost to stay in hotel for a week or two until you find a longer-term place, and pay the costs to move you out and back in again.
- While your current loss of use coverage will pay up to 24 months, the coverage we recommend would still be sufficient to allow you to rent elsewhere in a similar home for at least 24 months, cover the cost to stay in hotel for a week or two until you find a longer-term place, and pay the costs to move you out and back in again.
- We have also increased your liability limits and included personal injury. Personal injury covers you if you are sued for liable or slander.
- We also recommend that you consider a business policy for your home business. Homeowner policies offer very limited coverage for your business property and they exclude liability for any business.
- The Hartford AARP policy offers some extra “bells and whistles”. For example, it has a disappearing deductible. Every year without a claim, your home deductible drops by \$50. They also offer a “No Drop Promise” which means they will not cancel your policy, even if you need to make some claims.

### ***Liability Umbrella Proposal***

<b>Coverage</b>	<b>Current Coverage</b>	<b>Recommended Coverage</b>
Current Umbrella Liability	None	\$1,000,000
Uninsured/Underinsured	None	None
Annual Premium	\$0	\$258

### **Comments and Recommendations:**

- Given your financial worth and income potential going forward, we strongly recommend an umbrella to provide you with an additional layer of coverage. As mentioned above, we can help you determine if an umbrella is needed, and the coverage amount.

## *Earthquake Insurance*

<b>Coverage</b>	<b>Current Coverage</b>	<b>Alternative Coverage</b>
Replacement Cost	\$360,000 (deductible is 15% of coverage)	\$408,000 (deductible is 10% of coverage)
Separate Structures	<b>Limited coverage and no pool coverage</b>	\$40,800 (deductible is 10% of coverage)
Personal Property	\$5,000 (deductible is 15% of coverage)	\$204,000 (deductible is 10% of coverage)
Loss of Use	\$1,500 (No deductible applies)	\$25,000 (No deductible applies)
Deductible	15% (see above)	10% (see above)
Annual Premium	\$972 (through CEA)	\$1,038 (through Pacific Specialty)

### **Comments and Recommendations:**

- I have included two different earthquake proposals. I would like to go over these options with you and explain the advantages of each one.
- There are some key differences between your earthquake policy and the alternative we have. I would like to go over these options with you and explain the advantages of each one.

### *Premium Summary (Annual Premium)*

	<b>Current Premium</b>	<b>New Premium</b>
Annual Premium	\$4,835	\$5,128

### **Observations and Recommendations:**

- Overall, the coverage is better in many key areas. This includes the extra \$1,000,000 that the umbrella provides.
- The annual premium under our program is about \$25 more per month to get the better coverage.
- Our office provides excellent service and follow-up. This is better than having to call into a call center, waiting in hold, and talking to different people to solve an issue.
- We also take an active role in the claims process as needed.

Please let me know if you have any questions.

Thank You