



REWARDING
RESPONSIBILITY

Perspective

NEWS AND INSIGHT FROM PEMCO INSURANCE



FALLS AT HOME CAUSE COSTLY PROBLEMS

Are you one misstep away from a lawsuit? The answer could be as near as that wobbly banister you've been meaning to replace!

Each year, thousands of homeowners are shocked when they're sued after a visitor, housekeeper, or neighborhood child gets injured on their property. Many more endure remorse and anxiety when someone they love — often an elderly relative — suffers a devastating fall.

'I was going to fix that'

We're so familiar with our homes that we automatically avoid that loose board on the stairs. Before long, we stop "seeing" the problem, repairs get postponed, and we can set ourselves up for trouble.

Under the law, you're liable for a guest's slip-and-fall injury if you:

- 1) cause and fail to remedy a known unsafe

condition (like spilling water without cleaning it up, even if the spill was accidental);

- 2) knew about a condition but did not take reasonable steps to prevent it from hurting others; or
- 3) as a reasonable person, should have known about a danger and taken steps to prevent an accident. That's the most common scenario and sometimes the grayest. Often, the duration of a problem becomes a determining factor.

Give your home a safety walk-through

You don't have to spend a lot of money to fix the most common hazards around your home. Awareness and quick action are the keys:

Indoors

- Mend rips in wall-to-wall carpet.
- Use nonskid pads under throw rugs. Better yet, remove throw rugs altogether.

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We'd love your feedback on Perspective! Drop us a note or send your comments via e-mail to perspective@pemco.com

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THE ROAD'S SHOULDER IS NO SAFE HAVEN

You're cruising down the freeway when you notice your car feels a little hard to steer. Another mile clicks by. Still no better. You suspect a flat tire.

If you're like many drivers, you'd probably pull over to the shoulder to check it out. But highway safety studies show that might not always be your best move. About 2,400 people die each year in highway shoulder collisions. Instead, if you feel you're still able to drive safely at freeway speed to a nearby exit, do that so you can stop in a parking lot or on a side street.

If you must stop on the shoulder

For years, traffic laws have recognized the danger of stopping on the shoulder. It's illegal for any reason except in cases of emergency, equipment failure, or if you're pulled over by the police.

Each year, about 2,400 people die in highway shoulder collisions

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DON'T BE AN UNWITTING PARTY TO TEENAGE DRINKING



As a responsible parent, you've likely reminded your teens repeatedly about the dangers of underage drinking. Unfortunately, recent polls by the American Medical Association show some parents don't share your concern.

One in 10 parents responded "it was OK" for teens to attend parties where alcohol is consumed as long as a parent is present. Twice that number of teens said they've attended such parties, with many adding that nobody had to sneak in the liquor. The parents, in a misguided attempt to monitor teen drinking, provided it themselves.

Even more frightening: Many teens report feeling safer to drive after drinking at a parent-hosted party, even though the supervision didn't affect the number of drinks they consumed. Alcohol-fueled teenage accidents are often the worst on the road, resulting in death, paraplegia, and other devastating lifelong disabilities.

These tips can help keep your child and the community safe:

If your teens attend a party...

- Know where they'll be and for how long.
- Contact the party-giver's parents. Confirm that no alcohol or other drugs will be consumed and adults will be present.

- Know how your teens will get to and from the party. If they drink despite your wishes, ensure they'll have a safe ride home.
- If your teens will stay at a friend's house after the party, confirm arrangements with the friend's parents.
- Have your teen check in with you if there's a change in plans or when the party's over.

If you host a party...

- Set the ground rules before invitations go out: No intoxicants; no party crashers; and no coming and going, which discourages teens from leaving the party to imbibe.
- Limit the party to an area in the house where you can pop in frequently to supervise.
- Serve plenty of food and non-alcoholic drinks.
- Limit the number of guests. Set and enforce an end time for the party.

There's no perfect protection from an alcohol-related teen tragedy, but reasonable boundaries and expectations are important. They can deter dangerous behavior by your teens and those around them, and boundaries are one of the best ways to tell your teens, "I love you." ■

CONDO MASTER POLICIES: WHAT IS AND ISN'T COVERED?

Customize your personal policy to complement your condo's master policy

Whether you're an empty-nester downsizing to a condominium, a first-time home buyer, or a renter swept up in the recent wave of apartment-to-condo conversions, you need to know where your new insurance responsibilities begin and end.

Unlike the renters or homeowners insurance you're used to, condo owners' insurance comes from two sources: the condo's master policy and your personal policy. Generally, master policies cover common areas and structural members in the unit, subject to deductibles and assessments to pay for damage to common areas. Your personal policy covers individual liability, personal belongings, appliances, and upgrades to your unit.

Unearth gaps in master policies

Not all master policies are alike, and few make easy reading. Ask your association's insurance representative for a summary of the policy. Focus on deductibles and what is and isn't covered. Check coverage on things like built-in appliances, cabinets, floor coverings, interior partitions, light and plumbing fixtures, special wall coverings, tile, windows, improvements you've made to your unit, and other structures on the property.

While there's probably nothing you can change about the master policy, you can customize your personal policy to fill in gaps or cover whopping deductibles. For example, a standard PEMCO condo policy offers up to \$1,000 coverage on the items listed in the previous paragraph. But if your master policy is weak in those areas, you can beef up your PEMCO coverage inexpensively.

The same is true for loss assessments to cover damage to common areas (for example, a tree falls through the lobby during a windstorm). PEMCO's standard coverage is \$1,000, but you can boost it to \$50,000, depending on the potential for loss. You'll also want to increase your PEMCO coverage if you've upgraded your home beyond what's standard in other units.

Review policies annually

Because undetected changes in the master policy could leave you short on coverage (associations may raise deductibles, for example, to lower premiums), review your master and personal policies annually. If you have questions, please call your PEMCO representative. ■



LIFE INSURANCE IS MONEY YOU CAN COUNT ON

Life insurance isn't an "investment" in the traditional sense of the word. True investments come with inherent risk and often don't pay off until years later.

Life insurance, on the other hand, is a sure bet regardless of what the stock and real estate markets are doing. It gives your loved ones guaranteed cash right away if the unthinkable happens. Even a small policy can take the pressure off a spouse who otherwise would be forced to quickly sell the house or other assets just to stay afloat financially.

No single type of life insurance is best

For young families on a budget, term is often the right choice. For others with long-range needs (care for a disabled child or income for a spouse without a retirement plan), a permanent policy like whole life might be the best option.

Some financial pundits say consumers should avoid permanent policies that build cash values and, instead, buy cheaper term insurance and invest the difference. But for less-than-disciplined savers, permanent insurance can be a blessing. Over time, its accumulated cash values can substitute for the emergency fund we all need (three months' worth of living expenses in case of a layoff, etc.). Plus, it's likely to truly be there when we need it. That's because few of us would be willing, psychologically, to tap a life insurance policy the same way we'd dip into an ordinary savings account or home-equity line of credit.

Get help from a professional you trust

A PEMCO Life Insurance specialist would be happy to talk with you about how life insurance can strengthen your financial plan regardless of life stage or budget. For a no-obligation consultation, call 1-877-737-LIFE (5433). ■



ROAD'S SHOULDER (continued)

If you must pull over, do this to make an unsafe situation better:

- Pull as far to the right as possible.
- Turn on your hazard lights and raise your hood.
- Carry and use flares or safety triangles.
- Never attempt to fix a flat, jump a battery, or make other repairs on the shoulder. Instead, call for a tow to the nearest service station.

Also, keep track of milepost markers on rural roads. If you're stranded, the number will help the tow truck driver find you quickly.

What to do until help arrives

That can be a tough call. Some experts recommend you stay in your car, lock the doors, leave your seat belt on, use your cell phone to call for help, and wait.

Others take the opposite approach, saying the chances of your car getting hit are just too great, outweighing your risk of being victimized by a passerby. They recommend you exit via the passenger door, step over the guardrail or crawl up the bank, call for help, and wait until the tow truck arrives.

Ultimately, you're the best person to decide what's safest for you based on your surroundings and factors like the time of day, visibility, and location. ■

COMMON (ILLEGAL) REASONS DRIVERS STOP ON THE SHOULDER

- Read a map
- Make a cell phone call
- Change drivers
- Discipline children
- Take a bathroom break

NHTSA SEEKS VEHICLE SAFETY COMPLAINTS

Ever wondered how a manufacturer knows when to issue a vehicle recall? Often, the information comes from vehicle owners themselves.

If you're having a problem with your vehicle and you think it might be safety-related, don't hesitate to contact the National Highway Traffic Safety Administration (NHTSA). It carefully reviews every complaint and posts information on its Web site, www.safercar.gov. If NHTSA suspects a trend, it launches an investigation that can lead to a recall. ■

QUESTIONS YOU ASKED US

I've seen news reports about "lock bumping," a new technique burglars are using to break into homes. Are the deadbolts I have on my outside doors bump-proof?

While deadbolts offer greater security than doorknob locks, those with a conventional split-pin tumbler (the most common type) may succumb to bumping. High-security locks with a secondary mechanism (like sidebars) fare better. We know of at least two that resist bumping — Medeco locks and the Schlage Primus, which cost \$100 or more. ■

THINK YOUR VEHICLE HAS A DEFECT?

VISIT www.safercar.gov and click "File a complaint"

CALL Vehicle Safety Hotline
1-888-327-4236

MAIL NHTSA, Office of
Defects Investigation
(NVS-210)
400 7th Street, SW
Washington, DC 20590



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For more helpful information, visit Consumer Tips at pemco.com

Read current and past issues of Perspective at pemco.com/perspective

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FALLS AT HOME (continued)



- Ensure that children's toys are picked up.
- Keep phone and electrical cords away from traffic areas.
- Replace burned out light bulbs, and consider using the highest manufacturer-recommended wattage for the fixture. Use nightlights in hallways.
- Add nonskid strips to the edge of wooden stairs. Warn visitors about unexpected level changes, like sunken living rooms.
- Install grab bars around toilets and showers if you have guests who may be unsteady on their feet.
- Use a full-length rubber bath mat inside the tub. Place a nonskid mat outside the tub.
- Clean kitchen spills promptly and never open low appliance doors (like dishwashers) behind someone without warning.

Outdoors

- Repair cracked or buckled concrete sidewalks.
- Check wooden steps for sponginess — a sure sign of rot. Replace them promptly. Make sure handrails are sturdy.

- Remove moss from walkways and stairs. They get slippery in the rain. Ditto for fallen leaves.
- During freezing weather, clear walkways with de-icer. Add traction with clay cat litter or sand.
- Repair leaky faucets and sprinkler heads and aim downspouts so water doesn't spill onto walkways.
- Make sure decks and patios are up to code. If in doubt, hire a professional contractor to check them out.

Seek shelter under an umbrella

"Umbrella" or excess-liability policies offer extra liability protection that kicks in only after a claim has exhausted the coverage provided by an ordinary homeowners or auto policy. Once considered a safety net for the wealthy, umbrellas today make sense for many consumers. If you have assets you want to be sure are protected (think about how much homes have risen in value), you might benefit from umbrella protection. A \$1 million umbrella policy usually costs around \$250 a year.

For more information, contact your PEMCO representative or visit pemco.com. ■

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HOW SAFE IS YOUR HOME?

PEMCO has commissioned a statewide poll to learn about the habits of Washington homeowners.

Conducted by Informa Research Services, the poll covers topics such as water damage, fire safety, and crime prevention. Want to know how your home compares with others? Take our online poll and compare your answers with other residents. Simply go to survey.pemco.com and follow the prompts.



SHARE A GOOD THING WITH A FRIEND!

If you're a proud PEMCO customer, give your friends a chance to enjoy the same great protection and service. *Refer your friends to PEMCO!*



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1. Tear off one of the cards.
2. Give the card to your friend(s).

YOUR FRIEND CAN:

1. Call now, *or...*
2. Go online now, *or...*
3. Call or go online later, when it's convenient.



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