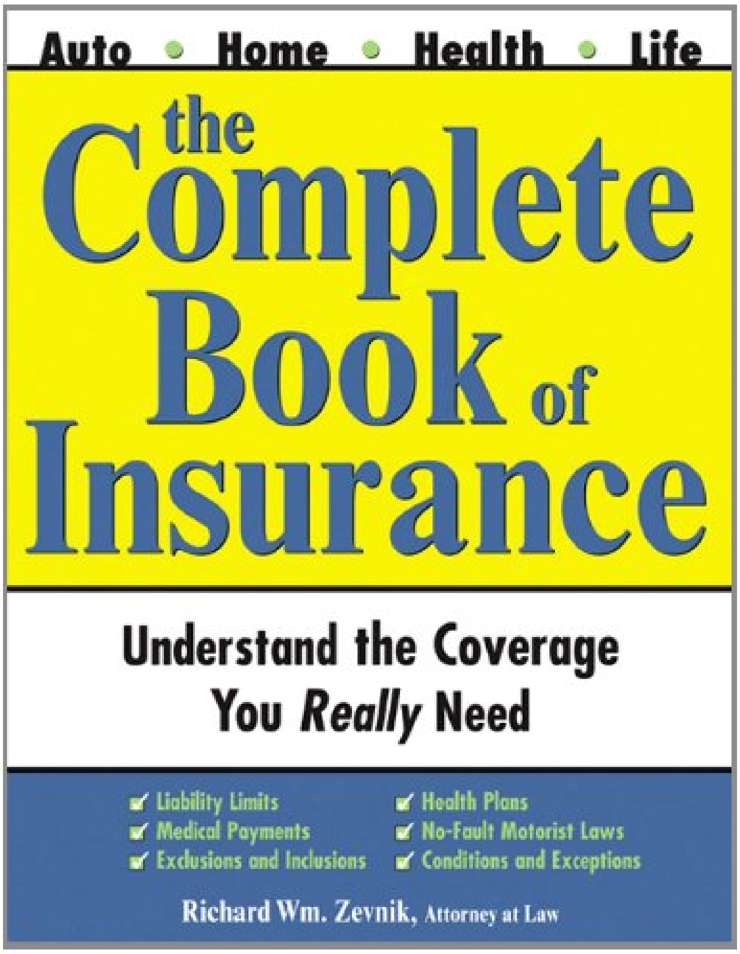
The Complete Book of Insurance

Richard Zevnik
*ePub | *DOC | audiobook | ebooks | Download PDF*



#242584 in Books Sphinx Publishing 2004-08-01 2004-08-01Original language:EnglishPDF # 1 9.00 x .82 x 7.00l, 1.17 #File Name: 1572483830256 pages | File size: 19.Mb

Richard Zevnik : The Complete Book of Insurance before purchasing it in order to gage whether or not it would be worth my time, and all praised The Complete Book of Insurance:

0 of 0 people found the following review helpful. I bought this book to learn more about insurance, ...By Enogirl4uI bought this book to learn more about insurance, since it is such a complex topic. Honestly, the book is not as clear as I wish it would be. I guess that part of the problem is that it is trying to explain so much in as few words as possible. However, it is ok if you want to get an overview of the topic.0 of 0 people found the following review helpful. Five StarsBy tonyguitarThx

Do you have the protection you need? INSURANCE. You have to have it, but do you really know what you have? It is the one purchase that you hope never to use, but when you do, it is all too common to learn that what you thought was covered is not. Do not let your car, home or health suffer because that long, dry policy document is too difficult to understand. Instead, let The Complete Book of Insurance guide you through all of your major insurance needs. - If you are concerned with the other drivers and want to know just exactly what uninsured motorist coverage is-use The Complete Book of Insurance to evaluate what limits you really need if you are involved in an accident. - Whether you just bought your first house or are moving to a region prone to earthquakes, flood or mold-use The Complete Book of Insurance to learn what is really protected under your standard policy. - If you believe that you are too young to worry about life insurance-use The Complete Book of Insurance to plan for your family's future security. We all want the best coverage with the least expensive rates. However, finding the right insurance company and the right agent is actually your second step to making it happen. Your first step is to understand the type of coverage you truly need.

From Publishers WeeklyDoes "all-risk" homeowners insurance really cover all risks? What are the "exclusions" and why are they excluded? Anyone who's ever tried to navigate the maze of homeowners or auto insurance will welcome this clear, businesslike guide by Zevnik, a lawyer who specializes in insurance issues. Granted, the prose is dry and legalistic (a glossary helps), but the book nonetheless demystifies a complex business as much as possible and helps consumers find the best insurance for their needs. Focusing primarily on homeowners and auto insurance (with brief discussions of health and disability), Zevnik walks readers through the process of reading a typical policy and answers such questions as whether it's worth paying a higher premium to get a higher liability limit. This isn't engaging reading, but Zevnik's useful book could save readers from future financial losses.About the AuthorRichard Wm. Zevnik has over twenty-five years of experience in the business of insurance and the practice of law. From 1979 through mid-1985, Mr. Zevnik was a commercial property insurance and reinsurance underwriter for the Kemper Companies and the former Prudential Reinsurance Company (now known as Everest Reinsurance Company).Mr. Zevnik attended Loyola Law School in Los Angeles in the evenings while working full-time at Prudential Reinsurance. He graduated in June 1985 in the top twenty percent of his class. After graduation, Mr. Zevnik entered private practice, and was admitted to the California State Bar in December 1985. He is admitted to practice before all federal courts in California and Arizona. His practice has included defense of professional liability lawsuits and, since 1994, his practice has concentrated exclusively on insurance coverage advice, insurance coverage, and bad-faith trial court and appellate litigation. He presently practices law in Irvine, California, principally representing insurers on insurance coverage issues.Mr. Zevnik has authored articles on legal ethics issues for the International Association of Defense Counsel and has lectured on insurance coverage and risk-transfer issues. He also authored legal ethics opinions while a member of the Los Angeles County Bar Association Professional Responsibility and Ethics Committee.Mr. Zevnik currently lives in San Clemente, California with his wife, Susan.Choosing Your Liability LimitsExcerpted from Complete Book of Insurance by Richard Zevnik 2004Liability coverage under homeowners' policies are commonly offered at the following levels, all on a per-occurrence basis: $100,000; $300,000; $500,000; and $1,000,000. If a person wishes to purchase liability coverage with limits in excess of $1,000,00 per occurrence, he or she must often purchase a separate, personal liability umbrella policy.Annual premiums charged for higher liability limits are usually quite modest. In light of the relatively low cost of increased liability limits and the magnitude of potential jury verdicts that can result in today's world, the average person should not purchase less than $500,000 in liability limits as part of his or her homeowners' policy. Limits of $100,000 and $300,000 simply do not afford sufficient protection in the event of a serious loss.A good way of helping you to decide how much to purchase in liability limits is to assess the value of your assets-in other words, how much are you at risk of losing? In several major urban areas, the average value of many middle-class families' homes exceeds $300,000. Many insureds would be surprised at the resulting figures if they were to conduct a complete inventory of their possessions to total what it would cost to replace all of them.When you envision the value of your home, personal possessions, and savings, you can readily see the need for substantial liability limits. The greater your liability limits, the more protection afforded from a judgment creditor's attempt to seize your assets to satisfy a judgment.In the commercial liability insurance business, risk managers for insured companies, their agents or brokers, and the underwriters for insurance companies often refer to high level excess liability policies as sleep insurance. This means that the company management and shareholders of the insured need not lose sleep over the possibility that a catastrophic loss might exceed the company's liability insurance limits and thereby potentially threaten or impair the future financial liability of the company.The same concept applies to individuals. It is preferable to have the peace of mind that comes with the knowledge that you have taken reasonable and prudent steps to obtain the financial security and protection that comes with paying a small amount of additional premium for increased liability insurance limits.For example, the annual personal umbrella liability policy premium, covering three cars and a homeowners policy, with limits of $1.5 million, can be found for a little over $300 annually, applying over a $500,000 homeowner's liability limit and a $250,000 per person/$500,000 per accident auto liability limit.If you purchase higher liability limits on your homeowners policy (and auto policy), the premiums for a personal umbrella policy will be reduced. This is because as the limits of the underlying policies are higher, the personal liability umbrella policy insurer's exposure to loss is lower.Structuring Your Liability Insurance LimitsDeciding on how to structure your liability insurance limits depends on who your insurer is and the limits of liability the insurer is willing to write under a homeowners policy for personal liability. There are two basic approaches to the problem. One approach is to purchase a moderately high liability limit with your homeowners policy, such as $300,000 or $500,000, and purchase a separate personal liability umbrella policy with a limit of $1,000,000 or $2,000,000 (depending on your needs) to apply in excess of the homeowners policy liability limits. The benefit to the personal umbrella liability approach is that the personal umbrella liability policy's limits of liability will also apply in excess of your auto liability policy's liability limits. For many persons, their exposure to a large liability loss arising out of their use of the car or truck is substantially greater than that arising from the ownership or maintenance of their home.The other approach is to purchase the maximum available liability limit on your homeowners policy alone, assuming your insurer will write policies with liability limits of at least $1,000,000. Usually, but not always, purchasing moderate homeowners liability limits of $300,000 or $500,000, plus the personal umbrella policy with limits of at least $1,000,000, will be more economical from a premium standpoint.Insurers also differ in their underwriting approach. Some insurers do not offer personal umbrella policies, with the result that your agent will have to procure a personal umbrella from an insurer other than your homeowners or auto insurer. Other insurers offer personal umbrella policies, but not to insureds who have their homeowners and auto policies with that same insurer.The issue here is the concept of pyramiding of risk. Some insurers simply do not want to commit to that much exposure for loss with respect to any one insured. Insurers that take this view are often willing to be either the primary (i.e., the homeowners liability insurer) or the excess (i.e., the personal umbrella policy) liability insurer, but not both.Other insurers take the opposite view, particularly in the personal lines context. These insurers would rather be both the primary and excess insurer for the same insured (particularly when the insured has both his or her auto and homeowners insurance with the same insurer). Insurers that hold this view usually cite the fact that they are getting greater premiums and have complete control over a major claim, eliminating the need to deal with another insurer's claim department.Disagreements can often arise between the primary (homeowner's) insurer's claim department and the excess insurer's (the personal umbrella policy) claim department over defense and settlement strategy in the event of a claim that presents a potential for penetrating the personal umbrella policy insurer's coverage. What often happens is that the primary insurer believes the case has a settlement value in excess of its policy limits and wants the umbrella insurer to contribute some money in order to settle the case. Theumbrella insurer, which is not exposed to the ongoing cost of defending the suit and which therefore does not have that financial pressure on it, will take a hard line, asserting that the genuine settlement value of the case is within the primary insurer's limits, and will refuse to contribute to the settlement. When this occurs, cases can be forced to trial that ought to be settled, and can sometimes result in runaway verdicts that exceed the limits of both the primary and the excess insurance policies.There is yet another reason why a personal umbrella policy should be part of your basic package of insurance policies. While personal umbrella policies have their own terms, conditions, and exclusions, they provide an important gap-filling function. The usual personal umbrella policy insuring agreement provides that the personal umbrella insurer does not have a duty to defend-a duty that your homeowner's or auto liability insurer has. Except-and this is the important exception-your personal umbrella policy insurer has a duty to defend a suit against you seeking damages within the personal umbrella policy's coverage that are not covered under the underlying policies.An easy example of how this might work is if the liability coverage of your homeowners' policy does not include personal injury coverage. For things such as libel, slander, false arrest, false imprisonment, etc., your personal umbrella policy (in most cases) will provide coverage.In short, a personal umbrella policy is something that provides a substantial amount of coverage at a modest price. The basic recommendation of a minimum qualifying homeowner's and auto liability limit and over $1,000,000 personal umbrella policy is just the starting point. Each individual needs to assess his or her own needs and to determine what protection limit he or she believes is appropriate. Increasing liability limits over the minimum is usually not very expensive under either a homeowners or auto policy. Nor is increasing liability limits of $1.5 million or $2 million under personal umbrella policies. Each situation will differ. The cost of personal umbrella policies are often affected more by the auto liability exposures you present. A family with more vehicles and drivers can expect to be charged more than one with fewer vehicles and drivers.