

# INSURANCE UPDATE

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*Auto-Owners*  
INSURANCE  
LIFE • HOME • CAR • BUSINESS

## IN THIS ISSUE...

### BILLING

Paid-in-Full Discount Advantage

### BUSINESS INSURANCE

Healthy Equipment Maintenance

### FLOOD INSURANCE

Do I Need Flood Insurance?

## Permanent Versus Term Life Insurance

When determining your need for life insurance, you need to know which policy is right for you.

It is important to understand the biggest differences between term and permanent life insurance when deciding which of these products will best provide you and your family with peace of mind.

**Term life insurance** is a great way to protect your debt obligations without busting your budget. Term insurance doesn't generate cash value within the policy, which is why it costs less than other types of life insurance.

Most term policies are designated to expire after a certain number of years of coverage. If the insured passes away during the coverage period, the death benefit is paid to the beneficiary.

*continued on page 2*

# The Paid-in-Full Discount Advantage

Did you know that most insurance policies from Auto-Owners Insurance offer a Paid-in-Full discount? With this discount you could save BIG money!

To qualify for the Paid-in-Full discount, the entire discounted policy premium must be paid by the due date of your first bill.

Although the discount is significant, having to pay the entire premium in one payment can amount to a big chunk of change. But if your cars are insured with Auto-Owners, you may have another option that is easier on your pocketbook!

If you choose to have your 12-month auto insurance premium billed on a semi-annual payment plan, you will pay only half of the policy premium by the due date of your first bill. The remaining half will be due with your second bill, six months later. Here's the great news: You still receive the Paid-in-Full discount!

To ensure you don't miss out on this discount, you can also choose to set up your billing account on automatic payments. You can elect to have automatic payments charged to your credit card or drawn directly from your bank via electronic funds transfer. It's a great way to guarantee you will never be late with your payment.

The discount percentage may vary depending on the state you live in or the type of policies you have with Auto-Owners. Contact our agency for more information.



## Permanent Versus Term Life CONTINUED

An example would be a woman who has \$50,000 in student loans and had her parents co-sign on her loans prior to graduation. This insured might consider term insurance, with her parents as the beneficiaries.

**Permanent life insurance** is designed for a lifetime of changing insurance needs.

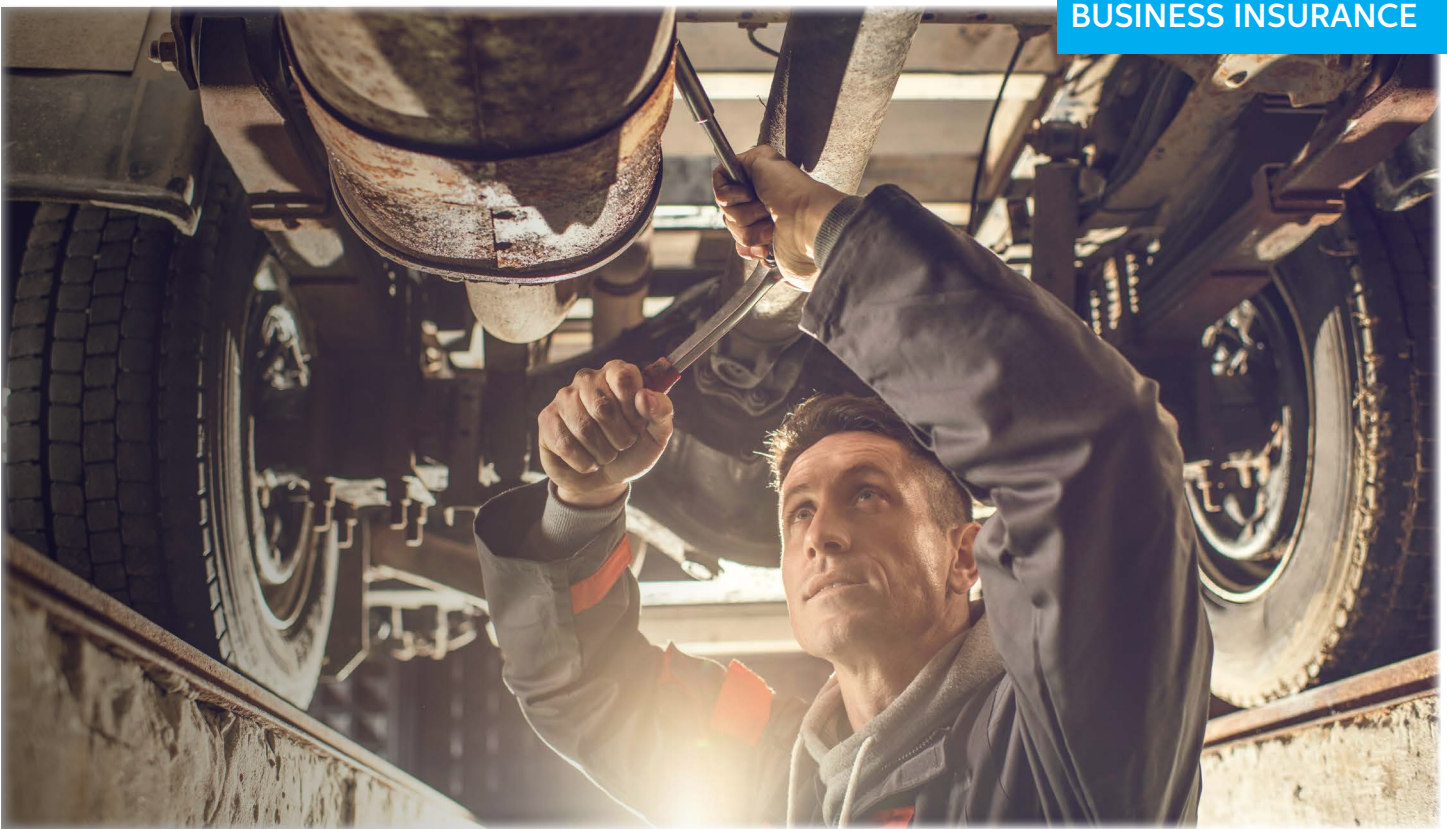
Instead of having term coverage that lasts a certain number of years, insureds can rest easy knowing their permanent policy will never expire and will pay a death benefit to their beneficiary when they pass away. The average funeral cost in 2015 was approximately \$7,181.00 ([www.nfda.org](http://www.nfda.org)).

Traditionally with permanent insurance, insureds pay for the policy's level premiums until they pass away. Other products allow insureds to pay their permanent policy in full within a certain length of time, such as a 10- or 20-pay policy. The younger you are when you opt for a permanent life policy the better, because rates will be lower, and it's vital in protecting your insurability.

If you understand the differences between term and permanent insurance, you may even decide that it's better to have both coverage options. A growing family, for example, may need enough death benefit to cover family and living expenses with term insurance, but might also consider an affordable final expense permanent policy for a low death benefit (such as \$10,000) to cover funeral costs.

"In the end, it's not the years in your life that count. It's the life in your years." – Abraham Lincoln. Be prepared for whatever life gives you and ask us about life insurance today.





# Healthy Equipment Maintenance

We've all heard the saying, "An apple a day keeps the doctor away," but did you know that preventive maintenance and routine checkups are necessary to keep your contractors' equipment healthy, too?

When developing a maintenance program, the best tool to reference is the owner's manual for each piece of equipment. The owner's manual generally includes a section that outlines the recommended service plan.

When it comes to equipment, the number of operating hours is often the basis for periodic servicing. Logging a machine's operating hours on the first day of each month helps to keep this schedule on track.

Preparing for a seasonal changeover in work often means putting equipment in storage. Before saying goodbye for the season, treat your equipment to an oil change and thorough cleaning!

This is also a good time for a checkup. Remember to check filters, spark plugs, grease, fluids and batteries. Gas-powered items should be run until the engine is out of gas and shuts off. Storage preparation should also include repair of broken parts, so you can avoid rust or further damage.

Indoor storage is the best way to keep your equipment safe from whatever Mother Nature may have in store for you! If indoor storage is not an option, consider water-resistant tarps to cover your items securely.

Equipment and tools are an investment, and as a contractor you should protect that investment. Remember: An ounce of prevention is worth a pound of cure. As we begin the winter season, seasonal maintenance and storage preparation is critical to keeping your equipment healthy.

# Do I Need Flood Insurance?

If you live in a 100-year floodplain and have a mortgage, you don't have to wonder if you need flood insurance - it's required as a condition of your loan.

If flood insurance is not required as a condition of your mortgage, you're not obligated to carry it. However, there are a few things that you should know:

- Flooding can happen anywhere and anytime.
- Even a minimal amount of flooding can have disastrous financial consequences. According to the National Flood Insurance Program, one foot of water can cause \$27,150 of damage to a 1,000-square-foot home, and the average flood claim is more than \$38,000.
- If you think a regular home hazard insurance policy covers losses caused by a flood or heavy rains, think again. You need a separate flood insurance policy to cover flood damage caused by a storm, hurricane, heavy rain or ineffective levee.
- No matter how well you plan for a flood, the costs may be more than you anticipate. If you are not on solid financial footing with money set aside for emergencies, it may be better to get coverage. Flood policies in moderate- to low-risk areas could cost less than your monthly cellphone bill, and could save you a bundle if your home sustains damage.

For more information about your flood risk and the potential cost of a flood to your home, go to <https://www.floodsmart.gov/floodsmart/>. Then call our agency and we will make sure that your home is protected.

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