



AGCOM INSURANCE~SERVICE ABOVE THE REST~

Should you purchase rental car insurance?

By Sheryl Leonard

This question is asked of me often. So I decided to gather a bit on information to help my insureds understand the risks involved when renting a vehicle. All personal auto policies (PAP) are not the same. But when we look at the standard ISO (Insurance Service Office—a standard policy) PAP to answer this question, many uncovered risks are exposed. The following are just a few:

The ISO PAP extends physical damage coverage to non-owned private passenger autos, pickups, vans, and trailers if at least one declared auto on your policy has such physical damage cov-

erage. So, if you're renting a motor home, moving truck, motorcycle, etc., physical damage coverage will not extend to those vehicles. Damage valuation is on an actual cash value (ACV) basis, while most rental agreements require coverage for "full value" (translation: whatever the rental car company says is the value) and most PAPs exclude any "betterment" in value. The ISO PAP has a dollar limit for damaged trailers and many non-ISO PAPs have an exclusion or dollar limitation on non-owned autos or specific types of rental vehicles such that rental, for example, of an upscale SUV or sports car may have limited or even no coverage.

Many PAPs limit or do not cover the rental company's loss of rental income on a damaged auto. This alone can add up to thousands of dollars of loss income while the damaged vehicle is being repaired.

We're farmers, too!

AgCom is a Farm Certified Agency for Nationwide Ag. For crop or farm insurance inquiries, please contact our crop & farm expert.

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GROWING

ABOVE THE REST



September 2015

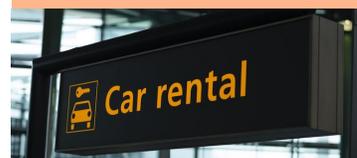
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by Sheryl Leonard

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Our monthly discussion focuses on one coverage on the minds of our customers

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What makes AgCom Insurance Agency different from the rest?

By Sheryl Leonard

Probably the most significant deficiency in the PAP is the lack of coverage for diminished value claims. In one case, a Florida insured traveled to Colorado for a rock-climbing vacation. He passed on purchasing the LDW (Loss Damage Waiver) for his 4-day rental because "I'm an excellent driver and I've got car insurance and credit card coverage." Apparently the driver of the vehicle that sideswiped his rental car while it was parked was not an excellent driver. The damage totaled \$4,400 for repairs, \$370 for administrative fees, \$620 for loss of use, and \$3,100 in diminished value. Of the \$8,490 total, \$3,990 was uninsured and not covered by his credit card, the biggest component being the \$3,100 diminished value charge which was excluded by both his PAP and his credit card. In addition, he ended up having to hire a Colorado attorney to assist in resolving the claim. The cost of the rental insurance for the entire trip would have been less than \$100, a small fraction of the total cost of his vacation trip.

My best advice is that an auto policy simply is not adequate to cover the physical damage exposure to a rental car

When traveling on business or vacation, a rental car is often valet parked at a hotel or restaurant. The ISO PAP extends physical damage coverage for non-owned autos to "Any private passenger auto, pickup, van or 'trailer' not owned by or furnished or available for the regular use of you or any 'family member' while in the custody of or being operated by you or any 'family member'." Note that physical damage coverage attaches only "while" the auto is in the "custody" of an insured. So, the question is whether the vehicle is still in the custody of the insured while it's being valet parked or otherwise in the custody of the valet service. If you're relying on your PAP for coverage, the best advice is probably to not valet park a rental car.

You will need to read your own PAP contract to see if and how any of these things are covered when renting a vehicle but my best advice is that an auto policy simply is not adequate to cover the physical damage exposure to a rental car.



We feature helpful safety tips, reminders of important crop dates, the latest edition of this newsletter plus some fun just to brighten your day!

Click below for our page:
[AgCom Insurance Agency](#)

BACK-TO-SCHOOL TORTILLA ROLLS

Burrito-sized tortilla shells
 Cream cheese spread—garden vegetable variety
 Deli Ham
 Fresh spinach

Spread cream cheese on shells, paying special attention to the edges (this is your "glue"). Top with at least 2 layers of deli ham and spinach. Roll tightly and slice into 1" rolls. Each wrap should make 8-9 rolls.

Even my girls who don't care for spinach love these! Try other meats or varieties of cream cheese or add shredded carrots & other veggies. Time to pack those lunches! ~Cheryl



Am I Covered for... an accident that's not my fault?

by Cheryl Ellis

I have the distinct opportunity to relay yet another personal experience here. I had an auto accident that destroyed my van recently. I was travelling on a four-lane divided city street when a lady in a red car tried to turn left in front of me. She didn't make it. Both cars were severely damaged. Two drivers with their 2 passengers walked away with minor bumps and bruises thanks to safety features like seatbelts and airbags. Am I covered?

Fortunately, my agent was right there on the scene immediately! After the initial shock of it all, I (my agent) was able to file the claim online with my smartphone while they were towing the vehicles away. I had it set up waiting for the police re-

port number before the police even provided me the information. We had a rental scheduled and ready to go in minutes. (While we can't promise to appear genie-like at the scene of every accident, we can gather your information immediately and get you on your way. Please call Sheryl's or my cell phone and we will get you taken care of – Friday at 7 pm or Tuesday at noon, we are there with "Service Above the Rest".)

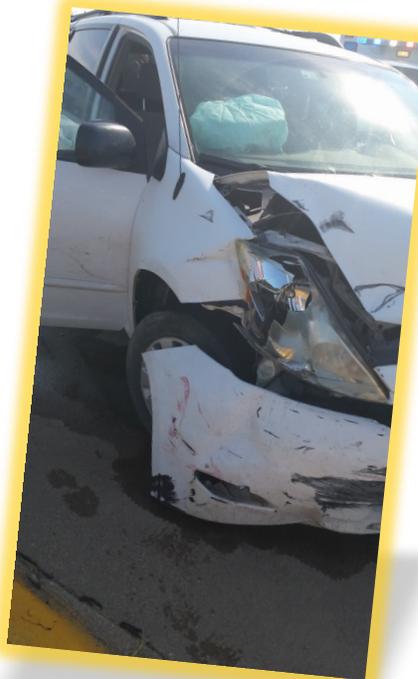
The adjuster called me less than 24 hours later for additional details and expressed her opinion that the vehicle was likely "totaled". Within a week, we had a check in hand for the total value of the van and we were car shopping.

Both my daughter (my passenger) and I felt fine immediately after the accident, but both suffered whiplash. The pain and other symptoms from this injury didn't fully manifest until almost three days afterwards and became quite severe. We did seek medical attention and have,

thankfully, seen much improvement.

As an agent, I would encourage you to always open the medical claim when filing an auto accident. If you don't need it, it will end up with a zero balance and be closed out. If you do need it, you can go to the doctor worry-free and walk out without paying a dime. Look at your policy, but our agency standard is at least \$5,000 in medical payments coverage. This is for you and your passengers in the vehicle with you. It is very inexpensive and really buys that peace of mind when you have 1000 other questions at the time of a claim.

This accident was a valuable experience to be able to "try out" the insurance company and claims process from a customer standpoint. While I wouldn't wish a repeat, it is nice to know what you may be going through at the time of a claim. AgCom is there to provide "Service Above the Rest". Let's just pray the October edition doesn't include another personal incident for our agents.



Am I Covered For...?

Have you ever seen a news story or heard about a claim and wondered "am I covered"? Submit your ideas for this ongoing feature.

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**If a task is once begun,
Never leave it till it's done.
Be the labor great or small,
Do it well or not at all.**

Anonymous



Business Succession Planning Seminar

Presented by:

Lindsey Buchheit and Sheryl Leonard

Sept 3rd 4 pm to 5:30 pm

WITCC, Sioux City, Room L424



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Less than 33% of family owned businesses survive to the 3rd generation.

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