



AGCOM INSURANCE~SERVICE ABOVE THE REST~

GROWING

ABOVE THE REST

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IN THIS ISSUE

Why You Need an Umbrella Policy

By Sheryl Leonard

My advice has always been “you carry as much liability coverage as you can afford”.

An umbrella policy is an inexpensive way to protect your finances from devastating lawsuits. Many clients have asked me why they need an umbrella liability policy.

Here’s how an umbrella policy works: You carry limits of liability on your auto and homeowner’s policy. These are called underlying limits and most policies will offer a maximum of \$500,000 per occurrence or less per person. An auto policy will

“you carry as much liability coverage as you can afford”

pay for liability related to an auto accident. A homeowner’s policy would pay for liability related to accidents that occur in or around your home. An umbrella liability policy can add to your liability coverage an additional \$1,000,000 to \$5,000,000 or more over both the auto and the home. In the event of a liability lawsuit where you are found liable for damages, your underlying liability limits on your auto or home policy will pay first. If the legal judgment is for an amount greater than those limits, your umbrella policy would then pay up to the limit of that policy. An umbrella policy will also pay for legal defense costs associated with a law-

Cont’d on pg. 2



EDIBLE PLAYDOUGH RECIPE

Spring fun on the back page!

Page 4



AM I COVERED FOR...DISABILITY?

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

Page 3



WHY YOU NEED AN UMBRELLA POLICY

by Sheryl Leonard

Page 1-2

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Cont'd from pg 1

suit against you, which can quickly add up even if you win your case.

Commercial umbrella liability policies (or excess liability policies) work the same way. They offer an “umbrella” of additional liability coverage over the underlying general liability policy, business auto policy, commercial property policy, etc.

As long as you can earn a livelihood, you should have an umbrella liability policy even if your collective assets are far less than the coverage amount. In the rare event that you are sued, you could be forced to pay a legal judgment from your current assets **and** future earnings. The question becomes, how much liability do I really need? Experts vary in what they recommend. I revert back to my previous statement. You carry as much liability as you can afford. Liability lawsuits

are often filed for multi-millions of dollars to cover loss of earnings, loss of companionship, pain and suffering, etc. All things that you cannot put a price on, so the asking is a high figure and the judge will decide what to award. You can find record of many, many liability lawsuits where the plaintiff was awarded \$10-100 million.

Umbrella policies are inexpensive because they kick in only after you have exhausted your liability coverage under your auto or homeowners policy. The price varies by risk, but someone with a home and two cars would generally pay about \$200 a year for the first \$1 million in coverage and less for the next \$1 million.

If you do not currently have an umbrella policy, give us a call and we can quickly tailor a policy to your circumstances and give you a quote. Don't find out the value of this important coverage after it is too late.



Crop & Farm Expertise

Sheryl sheds light on crop & farm concerns from a farmer's perspective. AgCom is also a Farm Certified Agency for Nationwide Ag.

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We feature helpful safety tips, crop news, plus some *fun* just to brighten your day!

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

Am I Covered for... Disability?

by Cheryl Ellis



Over 1 in 4 of today's 20 year olds will be disabled

before they retire according to the US Social Security Administration.

Disability insurance is one of the most overlooked offerings in the industry. Many of you have disability coverage through your employer, but how much?

Employers have the option of purchasing either short term disability or long term disability or both for their employees. The benefits can start immediately or after a "waiting period" (think of this like your auto insurance deductible for benefits). Short

term usually only pays for a few weeks due to an injury, illness or childbirth. The name you have most often heard is Aflac for this type of coverage. Long term only kicks in after a few months depending on how it is written. It will usually provide 40%-60% of your wages at the time you left work. If disability insurance is offered at work, buy it. The cost of private disability is almost always higher than the group can offer.

But I have worker's compensation benefits, why would I pay for disability? According to the Council for Disability Awareness "less than 5% of disabling accidents and illnesses are work related. The other 95% are not, meaning Workers' Compensation doesn't cover them." How's that for a wake up call? 25% of workers will have a disability in their working lifetime and only 5% of those will be covered by workers' compensation!

Many of our customers farm or are self-employed. This group is the most vulnerable. How long could your farm operate without you in the field? How long could

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First, the longer the waiting period, the lower the premium. Like taking out a higher deductible on your car insurance saves you premium, the longer waiting period saves you dollars up front. You are better off to put the additional dollars into an emergency fund than pay premium for a short waiting period. Financial planners advise

keeping 90-180 days of emergency cash anyway, so you could survive for six months on that fund without needing your disability benefits. This is a way to make the premium affordable. Second, seriously examine how much benefit you would need. Most Americans live on more than necessities - could you live in a smaller home when facing a 10 year break from work? Could you scale down your lifestyle as a whole? Could you learn a new trade and make a small income in a different way? Probably.

Unfortunately, 68% of adult Americans have NO savings earmarked for emergencies. (US Courts, Bankruptcy Statistics, 12-Month Period Ending December 2007). This makes short term disability a must-have as well. How long could you afford to be without a paycheck?

Please, take action today and see what your employer has to offer by way of disability benefits. If they are not sufficient or unavailable, contact us and we'll guide you through how to determine your need and budget for such coverage.

The average disability payment from the government is **\$1,145** a month.

Could **you live** on that if something were to happen?



Source: US Social Security Administration, Oct. 2014

Think disability insurance.

www.lifehappens.org

LIFE HAPPENS
A NONPROFIT ORGANIZATION

Am I Covered For...?

A lifelong learner and insurance professional, Cheryl loves to research and answer your insurance questions. Submit yours anytime.



CHERYL ELLIS cheryl@agcomfinancial.com

EDIBLE PLAY DOUGH

1 c creamy peanut butter
2 Tbsp honey
3/4-1 c powdered milk
1 pkg Kool-aid, any flavor
Food coloring as desired



Mix to desired consistency, adding more or less powdered milk as needed. The Kool-aid provides a nice flavor and mild coloring. Add additional food coloring to make every color you want!

A great excuse to play with your food. My girls beg me to make this on any break—Spring Break, Easter, snow days, anytime! Their favorite flavor is Grape or a double-batch with Grape & Lemonade! -Cheryl

**Limousin Meat
Quarters & Sides or
Ground Beef for sale**

Contact Sheryl for details and
availability. 712-368-2611

A Prayer in Spring

By Robert Frost

Oh, give us pleasure in the flowers to-day;
And give us not to think so far away
As the uncertain harvest; keep us here
All simply in the springing of the year.

Oh, give us pleasure in the orchard white,
Like nothing else by day, like ghosts by night;
And make us happy in the happy bees,
The swarm dilating round the perfect trees.

And make us happy in the darting bird
That suddenly above the bees is heard,
The meteor that thrusts in with needle bill,
And off a blossom in mid air stands still.

For this is love and nothing else is love,
The which it is reserved for God above
To sanctify to what far ends He will,
But which it only needs that we fulfil.

Wherever you are,
be all there.

JIM ELLIOT

