

July 2009

INSURANCE *Tips*

Free help with your insurance questions or complaints

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In addition to backyard barbecues, the summer season generates special insurance needs as vacationers rent cars and homes, power up boats, or relax around the swimming pool. Don't spoil the fun by neglecting an insurance issue or waste money by overinsuring your vacation.

Here are some issues you may want to ask your insurance company or agent about.

Rental Vehicles

- ▶ Most auto policies cover a rental vehicle but it's important to check with your auto insurance company before leaving on vacation to verify this or to discuss whether any special circumstances warrant additional coverage. By the way, the coverage you have on your own car is the same you'll have for your rental car. So, if you have an older car that's not insured for collisions, you won't have collision coverage on a rental car.
- ▶ If your regular auto insurance doesn't include rental vehicles, rental car companies often sell collision damage waiver coverage (CDW). This shifts any liability for collision damage from the person renting the vehicle to the car rental company.
- ▶ Most car insurance policies provide coverage in the United States and Canada. If you're traveling to another country, you may want to buy coverage from the rental car company.

Backyard Hazards

- ▶ Most people think of their homeowner's policy as covering loss or damage to their house or personal property, but the policy also provides liability coverage when someone makes a claim against you for injuries or property damage that happens at your home or as a result of your activities. To minimize the possibility of someone getting hurt, your insurance company may require special safety measures such as fencing, a pool cover, or a locked gate if you have a swimming pool. Safety equipment may also be required if you have a trampoline.

Boater's Insurance

- ▶ The personal property coverage of your primary or secondary homeowner policy might cover a small boat for \$1,000 or less in physical damage. However, coverage for your liability risk is limited. Insurers generally provide liability insurance on small sailboats (26 feet or less) and powerboats with small motors (50 horsepower for inboard and inboard/outboard and 25 horsepower for outboard motors).
- ▶ A boat of any significant size will be excluded from your homeowner policy for both property and liability coverage. Read your homeowner policy carefully before you put your boat in the water.
- ▶ One common mishap in Oregon is hitting submerged debris such as logs. Generally, this is a covered loss under a boat owner's policy, but ask your insurance company to verify this. Also, the amount the company pays for any damage to your boat may take into account depreciation.

- ▶ Personal watercrafts such as a Jet Ski will likely require a separate boat insurance policy. You might be able to purchase this policy from your homeowner insurer or you might choose an insurer that specializes in boat insurance. Compare prices and policies to get the best deal.
- ▶ Know the answers to these questions: Are you insured if someone other than yourself is operating your boat or personal watercraft? Are there age limits on who may operate the boat or personal watercraft? Is towing skiers or inner tubes covered by your policy?
- ▶ Keep in mind that most insurance companies are going to consider your motor vehicle driving record in deciding whether to insure your watercraft.
- ▶ Even if you don't plan to spend time at your vacation home, consider coverage for the structure, contents, and your liability in case someone gets injured on your property while you're not there.
- ▶ Insurance requirements in another area may be different than where you live. Talk with an insurance agent in the area of your vacation property if you think you might need flood insurance or additional coverage against wind, hurricanes, or earthquakes. Be aware that flood insurance has a 30-day waiting period.
- ▶ Out buildings (garages, sheds, and boathouses) might have limited coverage in a secondary homeowner policy.

Theft From Vehicles

- ▶ If your family is hiking and someone breaks into your vehicle and steals camping gear and other items you packed inside, your homeowner policy typically covers the contents. Your auto policy covers vehicle damage, such as a smashed window.
- ▶ Each policy, homeowner and auto, will have a deductible that you will pay before insurance kicks in.

Vacation Rentals/Home Exchanges

- ▶ Your homeowner policy might extend to the property where you'll be staying.
- ▶ Generally, as a renter you are not responsible for damages caused by unavoidable accidents, such as faulty plumbing. However, you could be considered at least partially responsible for damages due to negligence.
- ▶ Personal belongings you take on vacation - such as a laptop, camera or clothing - are generally covered by your primary homeowner policy. Your policy will tell you the maximum amount it pays out. Do you need additional or temporary personal property coverage?

Secondary Home Insurance

- ▶ If your secondary home or vacation home has a mortgage, your lender may require homeowner insurance, just as it would for your primary residence.
- ▶ How your property is used and how often it is occupied during the year determines the type of coverage. Insurance for these properties may be written on a "named perils" basis. A "named perils" policy covers losses for events specifically outlined in the policy, such as lightning, explosion, theft, or smoke damage.
- ▶ Review the policy for your secondary home every year and keep an up-to-date home inventory in case you file a claim following a loss. Understand whether your contents are insured. Some policies automatically include this while others require that you pay additional for contents coverage.

Umbrella Policies

- ▶ If you have an umbrella policy to provide excess liability coverage, the policy should automatically extend to any new property you purchase or rent. To be sure the umbrella meets your liability expectations and that there are no exclusions in the policy that might be triggered by the new property, read your policy or check with your agent before making your down payment.

Renting Your Vacation Home to Others

- ▶ Review your insurance policy before you rent to others. You may want to buy additional liability, bodily injury, and medical payment insurance to cover your risk.
- ▶ Be aware that your homeowner coverage might not extend to damage caused by renters or their guests.
- ▶ If you are renting out a furnished home, chances are your policy is not going to cover any furnishings that are stolen.
- ▶ Read the policy closely or talk to your agent to make sure you have the coverage you want.

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