



## Insurance Policies

Employers provide certain insurance coverage to their employees as part of the “Employee Benefit” package. There are other types of insurance you may want to purchase to supplement the employer-provided coverage.

The following are various types of insurance products that can be purchased through an agent or customer service representative of the various U.S. insurance companies. It is best to schedule an appointment with an insurance agent to discuss your specific needs and intricacies of each policy type.

### **Life Insurance**

Life insurance is a protection policy that pays a policy owner’s named beneficiaries a predetermined amount of money upon the death of the policy owner. There are essentially two types of life insurance products - whole life and term policies.



**Whole life insurance** policies are effective from the date of purchase of the policy until a claim is made upon the death of the insured. Whole life policies generate a cash value over the life of the policy, which can increase the death benefit.

**Term life** policies are only in effect from the date of purchase until the end of the term of the policy, usually 10 or 20 years, or until the passing of the insured, whichever comes first. Term policies generate no additional cash value.

### **Annuities**

They are a type of retirement investing, where monies are paid by the policy holder into the policy which are then invested in either a fixed rate amount or into stocks and bonds of the policy owner’s choosing. Annuities are paid to the policy owner starting at age 65 in either a lump sum payment or payable in fixed amounts over the remaining life of the policyholder.

### **Car Insurance**



Car insurance is required in every state. Please speak with an insurance agent to review your specific needs. There are many types of coverage; a brief explanation of each type is below. If you are financing the purchase of a car, the lending company or Bank may require that you carry “full coverage” on the vehicle until you pay off the car loan. Refer to the terms of the loan, which will define what types of coverage you must carry during the term of the loan. The annual premium will be greater when you have “full coverage” on the car as opposed to just liability coverage. You may drop down to minimum insurance coverage after your loan is paid off.

**Liability** provides protection against financial loss when you are held responsible for injury or damage as the result of an accident.



**Uninsured/Underinsured Motorist** provides you with bodily injury and property damage coverage when you are in an accident with an uninsured driver who is at fault, or if you are struck by a hit and run driver.

**Personal Injury Protection** pays benefits to you and relatives in your household. The benefits generally include medical expense, work loss, essential services, and funeral expenses.

**Comprehensive Coverage** pays for losses from any cause other than collision. A deductible generally applies except in losses caused by fire or lightning.



**Specified Causes of Loss (FTCAC)** provides for the perils of fire, theft, flood, riot, vandalism, civil commotion, windstorm, hail, earthquake, lightning, and mischief.

**Collision Coverage** pays for losses caused by collision with another object or if the auto overturns. A deductible generally applies.

**Non-Owned Automobile** provides you with liability coverage when someone else, particularly an employee, uses his or her automobile for business purposes.

**Hired Auto** provides you with liability coverage when using a leased or rented vehicle.

### Homeowner's / Renter's Insurance

There are seven basic policy types of homeowner / renter's insurance. Please see an agent for your specific needs.



**HO-1.** Basic homeowners. Covers your dwelling and personal property against losses from 11 types of perils: fire or lightning; windstorm or hail; explosion; riot or civil commotion; aircraft; vehicles; smoke; vandalism or malicious mischief; theft; damage by glass or safety glazing material that is part of a building; and volcanic eruption.

**HO-2.** Basic homeowners plus. Covers dwelling and personal property against 11 perils plus six more: falling objects; weight of ice, snow or sleet; three categories of water-related damage from home utilities or appliances; and electrical surge damage.

**HO-3.** Extended or special homeowners. Covers 17 stated perils plus any other peril *not* specified in your policy, except for flood, earthquake, war, and nuclear accident.

**HO-4.** Renter's coverage. Covers only personal property from 17 listed perils.

**HO-5.** All risk coverage for building and personal property. This policy form isn't sold very often anymore.

**HO-6.** Condominium coverage. Covers personal property from 17 listed perils along with certain building items in which the unit owner might have an insurance interest.

**HO-8.** Basic older home. Covers dwelling and personal property from 11 perils. Differs from HO-1 in that it covers repairs or actual cash values - not rebuilding costs. This is for homes where some historic or architectural aspects make the home's replacement cost significantly higher than its market value.

#### **Web Sites of companies offering Insurance**

Prudential      [www.prudential.com](http://www.prudential.com)

Metlife          [www.metlife.com](http://www.metlife.com)

Liberty Mutual [www.libertymutal.com](http://www.libertymutal.com)

Allstate         [www.allstate.com](http://www.allstate.com)

New York Life [www.newyorklife.com](http://www.newyorklife.com)