



Warm personal greetings from the Sullivan's and staff here at American Insurance Agency! This is a first time seasons greeting to the **over 200 new families and businesses** insured at our agency during 1995. Our deepest gratitude to all of you, our clients, for your continued confidence and the many referrals and endorsements received during the year.

We hope you can take time during this busy holiday season to **read this newsletter**. As our lives change from year to year **we have a special concern** that your insurance coverage is up to date. 1995 was marked by several claims that indicated to us that extra attention needed to be placed on educating our clients more **about two important subjects - personal property special limits and scheduling and managing the cost and driving risks of youthful drivers**. We hope the information will prove of value to you.

To you and your family "we wish you a Merry Christmas and a very Happy New Year!"

Harry C. Sullivan
President



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Heart To Heart
for parents of teens



By John Sullivan, Personal Insurance Mgr.

Nothing impacts your auto insurance rates more severely than the addition of a teenage driver to your policy. Over the years I have been asked numerous times by parents:

*"How much will it cost to insure my teen driver?"
"How can I keep my premiums low?"
"How should I manage driving privileges for my new teen driver?"*

As an insurance agent for the last 18 years and the father of six (4 boys and 2 girls) I am sympathetic to the challenge of teen drivers and am in a unique position to pass along some ideas that may be useful to you. And if we all work together - you, your teen, and your insurance professionals at American Insurance - we can keep premiums as low as possible.

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Sullivan's AMERICAN INSURANCE AGENCY SERVICES:

Personal Coverages

- ▲ Automobile & Motorcycles
- ▲ Homeowners, Mobile Homes & Renters
- ▲ Motorhomes, Boats & Travel Trailers
- ▲ Liability - Personal Umbrella
- ▲ Duplex - Rental Homes

Business Coverages

- ▲ Business Auto
- ▲ Packages Policies Save Money - Retailers & Contractors - Manufacturers & Service
- ▲ Property & Liability
- ▲ Workers Compensation & Bonds
- ▲ Farms

Benefits

- ▲ Life Insurance
- ▲ Disability & Medical
- ▲ Medicare Supplements
- ▲ Group Insurance Benefits
- ▲ Individual Retirement Accounts
- ▲ CD's/Annuities

No Cost Services

- ▲ Photocopying
- ▲ Fax Machine Use 208-746-9640
- ▲ Toll Free Calling 800-735-6355
- ▲ Notary Service
- ▲ 24 Hour Personal Assistance

Rings & Things



"Oh honey, thank you! It's beautiful!"

If your Christmas includes surprising someone you love with an expensive piece of jewelry then it's time to tell the world (*and especially your insurance agent*). Surprises are nice but when it comes to insurance nobody wants to hear the words "it's not covered".

Even the most deluxe homeowners insurance policy has coverage and value limitations on certain personal property items (1). There are normally ten categories of personal property items that are limited. **The most notable are limits on the loss of: money, bullion, coins; theft of firearms; and theft of jewelry watches, furs, precious and semiprecious stones.** Today I would like to focus our attention on jewelry limitations.

"TO SCHEDULE OR NOT TO SCHEDULE, THAT IS THE QUESTION."

(OK, it's not Shakespeare but as an insurance agent I've always wanted to say it.) The special homeowners form (HO-3) has a basic limit of \$1,000 for the theft of jewelry. Note that the peril "theft" is what is limited, not fire or the other listed perils. Many policies are endorsed with a higher limit of \$2,000 or \$5,000 on jewelry. So, if you have jewelry items with replacement values in excess of your policy limit then you have a decision to make about scheduling all or some of your jewelry items.

MYSTERIOUS DISAPPEARANCE

(Wow, isn't insurance exciting? I'll bet you want to know what mysterious disappearance is!) Scheduling changes the coverage on that item from "broad named perils" (2) to a comprehensive "risk of direct loss" which includes theft and **mysterious disappearance**. That is important because many jewelry losses don't involve theft but simply losing the item. Weird things happen! You just can't find it. Did it go down the sink drain? Did the dog eat it? Did it slip off your finger over the side of the boat and is unrecoverable? Did a prong break and the diamond fell out of the setting and it was lost? If the ring was scheduled these losses are covered. **If it was not scheduled it is not covered.** Scheduling also changes the coverage limit up to the estimated replacement value of the items insured. Usually a professional appraisal of the items by your jeweler is required to describe the item and its value.

If you have concerns about your jewelry coverage or any coverage please call us. Premium rates for scheduled jewelry vary from company to company and state to state but a good ballpark rate is \$10.00 per \$1,000 value per year. Also replacement values change over time so it would be a good idea to update your appraisal and values at least every five years.

All references assume the Special Homeowners Policy - form HO-3 (02-89) edition. For your own actual coverage and limits you must read your own policy.

(1) See page 3 SECTION 1 - PROPERTY COVERAGES, COVERAGE C - PERSONAL PROPERTY, Special limits of Liability.

(2) See page 7 SECTION 1 - PERILS INSURED AGAINST, COVERAGE C_ PERSONAL PROPERTY.

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Heart To Heart

HERE'S HOW TO KEEP YOUR INSURANCE RATES AS LOW AS POSSIBLE...

- 1) **CALL YOUR CUSTOMER SERVICE REPRESENTATIVE (CSR)** at American Insurance for help with any of the suggestions listed here. An ounce of prevention is worth a pound of cure!
- 2) **RATES ARE LOWEST** when your teen can be rated as a part-time operator on a family vehicle. However, this can only be done if there are less cars in the family than licensed drivers. For example - 2 cars and 3 drivers.
- 3) **IF YOUR TEEN WILL BE A FULL-TIME OPERATOR** rated on their own car then rates are lowest on average performance vehicles of lower value that don't require collision coverage. Absolutely steer clear of sports cars and high-performance cars for a teen. Insurance company underwriters know that high speed autos and teenage drivers are deadly combinations so you risk cancellation of your family auto policy.
- 4) **EXPECT AT LEAST A 3.0 AVERAGE IN SCHOOL.** You get up to a 20% discount on your teen's rates for a 3.0 average. Establish a reward and penalty system that makes sense to you. Perhaps extra privileges for making grades or restrict night time driving if they miss the mark.
- 5) **NO SPEEDING TICKETS OR ACCIDENTS!** You lose premium credits and it can be very costly. As a parent we've heard every excuse but nothing slows a teen down quicker than no car for 30 days if they get a ticket or accident. Follow up with only supervised driving for another 30 days and you'll make a believer out of your teen.

Continued next column

Losing Interest In The Bank?
**Make More Money
With Our CD/Annuities**

CD I (1yr)	
6.50%	
CD III (3yr)	
6.75%	
CD V (5yr)	
7.00%	

- Guaranteed Principle and Interest
- Optional Tax-Deferral on Interest
- Short-Term Investments

No fees or expenses, small penalty for early withdrawal. Minimum deposit required. *CD/Annuities are issued by Old Standard Life, a legal reserve life insurance company. Interest rates are quoted as current effective annual yields and are guaranteed for the term of the certificate. Principle and interest is fixed and guaranteed by Old Standard Life Insurance Company. CD/Annuities are available to Idaho residents only.

Continued from previous column

Heart To Heart

6) NEVER, EVER LET YOUR TEEN LOAN YOUR CAR TO ANOTHER DRIVER! You and your insurance policy are going to pay if there is an accident. You will pay a higher premium long after the friendship ends. NEVER, EVER LOAN YOUR CAR!

7) CONSIDER HIGHER COLLISION DEDUCTIBLES OF AT LEAST \$500. In many cases it would be far wiser to pay a claim involving your teen in amounts up to \$1,000 yourself than pay the increased premiums for the next three years for an at-fault accident.

ALWAYS CONSULT US IF THERE IS A CLAIM. ONLY UNDER CERTAIN CONDITIONS CAN YOU SETTLE YOUR OWN CLAIM.

HERE ARE SOME PRACTICAL THINGS WE CAN DO TO PROTECT OUR TEEN DRIVERS...

We all have wonderful kids! But they all suffer from a disease called "youthful inexperience" that only time can heal. Over and over again I have seen teen auto claims caused by driving too fast for conditions or lack of experienced judgement. Drivers Training courses are essential but have little long term impact on teen driving habits. So, how can we help protect our kids and keep premium rates down?

1) Ask us for the video "YOUNG DRIVERS - THE HIGH RISK YEARS". Produced by the Insurance Institute for Highway Safety, this video is a free service of American Insurance Agency. Just ask us!

2) Set your family licensing and supervised driving standards early and STICK WITH IT. The fact is most teens don't possess the basic maturity needed for driving until age 16. It would be wise to set age 16 as the licensing goal - then be excited to help them reach that goal. Be fair by talking about your plan in advance but then stick with your plan! Your younger children will never let you forget it if you cave-in to the oldest child when their turn at the wheel comes.

3) Driving experience is a supervised learning process that should continue far past basic drivers training. Teens need plenty of supervised driving practice before and after they obtain their license. So, set a time period - 3 to 6 months perhaps after licensing - to be a passenger while they drive. Restrict driving to day-light hours until experience is built up. I can tell you from experience that this is a special time to talk about life with your teen and build a deeper relationship while giving a little guidance along the way. Very soon your contact with your teen will be reduced to "Hi" and "Bye" during the busy high school years.

OK - time for a reality check! I fully understand that this advise may sound good but the implementation is very tough. Teens are tough negotiators and they are relentless toward their goal of independence by driving. Parents - make a plan, talk about it early, implement it firmly and fairly, then hang on for the wildest ride of your life. You have my undying support and sympathy. Good Luck!

Re-Evaluate Your Life In 1996!

It's like a mid-life crisis only different! The year of 1995 may go down in history as the last year that you can get the lowest rates on level term life insurance with long term rate guarantees.

If you now own or need additional term life insurance, now is the time to take a fresh look and lock-in the lowest rates and guarantees this year.

1996 IS THE YEAR TO TAKE ACTION!

On March 12, 1995 the National Association of Insurance Commissioners (NAIC) adopted the model regulation which establishes new reserving requirements for life insurance. The regulation informally known as Triple X, is expected to be adopted in most states by January of 1996. The predicted result is that new level term life insurance products will be more expensive with shorter rate guarantee periods (5 years or less). Where as today you can lock-in a lower rate for at least 10 years.

CALL US FOR A QUICK QUOTE ON LEVEL TERM LIFE!

It only takes a few minutes to get a comparison quotation. Don't delay; just pick up the phone and call us at 746-9646 or 1-800-735-6355 and ask for Shawn Sullivan.

In most cases you can save money and lock-in the savings for the next 10 years.

Shawn Sullivan



Sample Preferred Rates For A Male, Non-Tobacco User

\$150,000 Guaranteed 10-Year Level Term Life

Age 30.....	\$174.00/yr.	or	\$15.66/mo.
Age 35.....	\$192.00/yr.	or	\$17.28/mo.
Age 40.....	\$250.50/yr.	or	\$22.55/mo.
Age 45.....	\$319.50/yr.	or	\$28.76/mo.
Age 50.....	\$460.50/yr.	or	\$41.45/mo.
Age 55.....	\$673.50/yr.	or	\$60.62/mo.

Preferred Term is issued by Allied Life Insurance Co., 701 5th Ave., Des Moines, IA. Rates vary based on age, sex, and current health condition.

Becky Eisele

"Sullivan's Friendly Voice"



▲ Profile

"American Insurance Agency, can I help you?"

Becky Eisele has been the friendly voice on the receiving end of your calls to American Insurance Agency for the past 7 years. Eisele, who's main job is to answer incoming calls to the agency, enjoys her position with the company. "I enjoy talking with clients as well as the internal duties my job entails," she said. "Not only do I field phone calls and direct them to the appropriate departments, but I also spend a great percentage of my time working on the computer which is a lot of fun."

"She is the first contact many of our clients have with our agency and she does an outstanding job representing us."

"Becky is a valuable asset to our agency," said Agency President Harry Sullivan. "She is the first contact many of our clients have with our agency and she does an outstanding job in representing us."

In her spare time, Eisele also enjoys working on her computer at home. A native of Cottonwood, she has lived in the Lewis-Clark Valley for 15 years with her husband Bill who is employed at Potlatch Corporation. She has one son, Gary, who is working for a Fortune 500 company.

Workers Compensation Insurance

Are you properly covered in both Idaho and Washington?

By Dave Root

An Idaho contractor and client of American Insurance Agency recently contacted us regarding a demand letter for \$101,000 in Workers Compensation premiums and penalties for three previous years from the Washington Department of Labor and Industries. The letter was the result of an on-site job inspection at a Washington jobsite from a field auditor. Although the demand from the Washington Department of Labor and Industries was correct, we assisted in resolving the matter without any economic damage to our client. But it is a wake up call to anybody doing business across state lines.

You may be subject to the Workers Compensation laws of the state where your employees will be working. As you may work in other states, including the State of Washington, and employ workers for these out-of-state activities away from the State of Idaho, it is imperative that you contact the State of , Department of Labor & Industries and speak with a representative who will be able to determine if you also need to establish a Workers Compensation account in Washington. Only the State of Washington can make this determination. If you would like a Directory of Offices for your convenience in making this contact we can provide you with one at American Insurance Agency. Please call us with any additional questions about your Workers Compensation coverage in Idaho, Washington or any other states where you may hire employees.



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