



NewsLine

Helpful Information for Policyholders of the Central Insurance Companies

The Central Insurance Companies are comprised of Central Mutual Insurance Company, All America Insurance Company, and CMI Lloyds (Texas).



Your Stress-Free Insurance Solutions: E-options!

With so many tasks to squeeze into each 24-hour day, it's no wonder that everyone experiences some level of stress. People want to find easier, more convenient ways of managing their lives. Central has the solutions to help you manage your insurance!

Would you like to have more free time in your schedule? Sign up for the quick-click convenience of myCentral®! myCentral® offers personalized services to manage your account needs quickly and easily. Through myCentral® you'll be able to print your auto ID card, request a policy change, add or remove policies from your billing account, or report a claim. It's a one-stop shop for your account management needs!

Want to cut down on the clutter in your life? Central's E-policy option allows you to view your policy electronically. Instead of receiving a paper copy of your policy, you'll receive an e-mail notification when your policy is available online. Simply log in to myCentral® to view your policy. You can then download and save your policy to your computer, or the website will store two years of policy information online.

E-billing is another way to eliminate extra paper and filing! Instead of a paper copy of your bill, you'll receive an e-mail containing a link to our secure myCentral® website. Just click to log in and view your current bill. Signing up for E-policy and E-billing can help you eliminate hundreds of sheets of paper from entering your home each year. Think of all that extra storage space!

How about a convenient option that saves you money? Our Electronic Funds Transfer (EFT) option is the fast and easy way to pay your premium. EFT payments are automatically withdrawn from your checking or savings account on the due date of your choice, helping you avoid late fees. Paying online saves you the time of writing checks or running to the post office, and because EFT carries no service fees, you save money too!

Why not take the secure, convenient step and enroll in these online solutions from Central? Less stress, more savings, and more time to do the things you really want to do in life! Log on to www.central-insurance.com and click on the myCentral® link to get started today!



**CENTRAL
INSURANCE
COMPANIES**

Fulfilling the Promise Since 1876

Insuring Your Home:

How Much Coverage is Enough?

If you're like many people, your home is your most significant asset. When it comes to protecting it, you want to make sure your insurance provides the amount of coverage you need.

Yet how do you determine what the right amount is? For instance, should the policy be based on your home's market value or purchase price? What about your home's replacement value?

Determining the answer to these questions is important. A wrong answer could mean not having enough protection for your family's home in the event of a total loss.

Is market value the correct choice?

In simple terms, market value is the price you would expect to pay to purchase your home on any given day. As you know, market values can vary significantly. For instance, in today's economy, a home you paid \$200,000 for five years ago could be worth only \$150,000 now. On the other hand, five years from now it could be worth \$225,000 in an appreciating real estate market.

Of course, other factors affect a home's market value including the condition of the property, the home's location, any improvements to the property, and local economic conditions.

Replacement cost is the correct choice

In contrast, replacement cost is the total amount it would cost to rebuild your home at the same location, using like kind and quality of materials at today's costs. In order to be fully protected, you need to be insured at 100% of your home's replacement cost.

In many cases, the home's replacement cost exceeds the home's market value. Here's why:

- Replacing a home often involves far more labor and materials than building a new home.
- Making repairs around an existing structure can increase the cost.
- Custom repair and altering construction to meet existing building codes is often more costly than new construction.
- The increasing cost of materials and labor has a significant effect on the replacement cost of your home.

Insuring your home to replacement value solves the first part of the puzzle. But what about everything that's inside the home—your furniture, appliances, electronics, clothing, and other personal property?



Want to learn more about Central?

Talk to your independent agent, or browse through our website at www.central-insurance.com to become more familiar with Central. Find out about our history, our culture, and our products, or review our annual report.



Your homeowners policy provides an amount of insurance for your home's contents based on a set percentage of the coverage amount on the home itself. This percentage can range from 25% to as much as 75% of the home's insured value depending on the percentage you select.

For many people, the amount of personal property coverage their policy provides is not enough. Does your policy provide you enough coverage if the unthinkable occurs and everything inside your home is destroyed?

One way to find out is by completing a household inventory. A household inventory not only helps you determine if you have the right type and amount of insurance for the contents of your home, but it also makes it easier to settle insurance claims when a loss occurs. To help you get started, go to the Tips and Tools section of our website at www.central-insurance.com and download a copy of our household inventory form.

At Central, we want to provide you with coverage that will ensure your home is protected to its full replacement value—both inside and outside. Therefore, it's always a good idea to review your insurance policies annually to make sure they continue to offer you the protection you deserve. Don't wait until the day after a loss to discover you don't have enough coverage. Call your independent Central agent today!



It Won't Happen to **Me**



Imagine a child and his friends playing with the family puppy in the backyard. Suddenly, the dog bites one of his friends in the face causing permanent disfigurement. The owners of the puppy are legally liable for the loss, but the limits on their homeowners policy aren't enough to cover the damages.

Now imagine a family heading to its favorite restaurant for dinner on a rainy night. Slippery conditions cause the car to slide off the pavement onto the shoulder. The driver over-corrects, sending the family car straight into the path of an oncoming vehicle. The family's automobile liability coverage isn't enough to pay for the injuries to the other car's occupants.

Think it couldn't happen to you? The stark reality is that accidents such as these happen nearly every day. Fortunately, protection is available should the unthinkable occur with Central's Personal Umbrella policy.

While it's easy to assume that a Personal Umbrella policy is only for people with substantial assets, the truth is anyone is at risk of being held liable for an accident. Settlements of \$1 million or more have become commonplace and if you don't have an Umbrella policy, you may have to pay whatever costs exceed your primary insurance policy directly out of your own pocket. Where will you find the money? Your children's college tuition savings? Your retirement savings? Your home?

A Personal Umbrella policy offers you an unbeatable layer of protection - you can select limits of \$1 million up to \$10 million in coverage - over the coverage limits you already have from your automobile, homeowners, or other personal insurance policies. In the examples above, the Personal Umbrella policy would pay the difference between the primary policy coverage limits and the damages amount, up to the limits of the Personal Umbrella policy.

While the odds are more likely you'll need the protection of a Personal Umbrella policy for liability from an accident, you'll also receive coverages not usually included in your basic policies such as libel, slander, false arrest, false imprisonment, wrongful eviction, violation of privacy rights, and wrongful detention. An added feature of the Personal Umbrella is the policy will also pay your defense costs - even on covered losses where you're found not legally liable. This additional coverage could save you thousands of dollars in legal defense fees.

Contact your independent agent and ask them how you can further protect yourself, your family, and your future with a Personal Umbrella policy from Central.

The Personal Umbrella policy coverages described here are in the most general terms and are subject to the actual policy conditions and exclusions. For actual coverage language, conditions or exclusions, please refer to the policy or contact your Central agent.

A Checklist for Prevention

Your home is a major investment. How do you protect that investment? While your homeowners insurance policy is a great way to protect yourself from the financial ruin that a total loss could bring, most losses that occur are minor losses that could have easily been prevented through a program of regular preventive maintenance. A well-organized, consistent preventive maintenance plan is fundamental to retaining and growing the value of your home, and to keeping you and your family safe. Here is a checklist courtesy of www.HouseMaster.com to help you get started on your own preventive maintenance program:

Grounds

- Check window wells and storm drains
- Seal driveway and walkway cracks
- Check fencing and gates

Exterior

- Check for proper drainage away from house
- Check for deteriorated/damaged siding
- Seal any cracks or gaps
- Check for finish or paint deterioration
- Shut off exterior faucets and drain water

Roof

- Check for loose, damaged or missing roofing
- Check condition of chimneys and vents
- Check flashings for damage or poor seal
- Clean all gutters and leaders

Windows and Doors

- Check and reset screens with storms
- Check putty/glazing at windows and glass doors
- Check for leaks (caulk and weather-strip)

Plumbing

- Insulate water lines that are subject to freezing
- Check condition of water heater
- Clean and secure dehumidifier

Attic

- Insulate over attic stairs and hatches
- Fill in gaps in insulation cover
- Check ventilation openings and nests, blockage

Heating/Cooling Systems

- Remove (or winterize) room air conditioners
- Have heating system checked by serviceman
- Check all radiators and valves
- Lubricate all pumps, fans and motors
- Test and start humidifier

Despite your best preventive measures, equipment in your home may still breakdown. Equipment Breakdown Coverage is a great way to protect your home and your budget from these types of losses. For a minimal annual premium, you receive outstanding coverage and protection against unexpected repair or replacement costs due to covered losses from mechanical or electrical breakdown. Talk to your agent about this great endorsement and how it can provide more protection for your insurance dollar!

The Equipment Breakdown coverages described here are in the most general terms and are subject to the actual policy conditions and exclusions. For actual coverage language, conditions or exclusions, please refer to the policy or contact your Central agent.

"Preventive Maintenance Checklist." HouseMaster.com. Web. 2 Dec 2010.