

2024 Planning

## Three Homeowners' New Year's Resolutions

**W**HILE MANY people make resolutions to improve themselves — usually focused on organization, health and fitness — as a homeowner you can also resolve to bolster your home to be better prepared for issues that may arise in the coming year and ensure that you are adequately covered.

While you are resolving to lose weight, exercise more or stop a bad habit, you may also want to consider these homeowner's insurance resolutions:

### Start an emergency fund

Some home problems that crop up are not covered by your homeowner's policy and it's important that you have the money to pay for them when needed.

For example, if your heating or air conditioning system conks out or you have a sewer or sump pump backup, you'll have to pay for repairs or replacing it out of pocket. According to Angi's list, homeowners spent an average of \$1,667 on emergency home repairs in 2023.

With that in mind, consider starting an emergency fund that you add to every month when you get paid. You'll be glad you did when a costly issue crops up. If you don't have the funds available

to foot the bill, you may have to charge it to your credit card and risk incurring high interest payments. While it's possible that the repairs will cost more than you have in your fund, at least what you have saved can defray the costs to some degree.

### Review your coverage

The cost to repair and replace a home has increased substantially in the last four years and if you haven't revisited your policy limits recently, your coverage may be inadequate to fully replace your home if it is destroyed in a fire or other covered calamity.

An estimated 66% of homes in the U.S. are underinsured, according to Nationwide Insurance. Before your policy comes up for renewal give us a call to discuss possibly increasing the replacement value of your home to keep up with rebuilding-cost inflation.

As well, if you've done renovations to your home, call us to update your policy.

### Note high-value purchases

You may not have contacted us after buying pricy jewelry, antique furniture or a gigantic flat-screen TV, but it's worth the call.

Although your homeowner's or renter's policy protects valuables against a covered

See 'Consider' on page 2

HOME TEAM INSURANCE

WISHES YOU A

*Happy New Year!*

2024



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Protecting the people and property that matter most to you.

# Good Drivers Save Money with Insurance Telematics

**T**ELEMATICS APPS that help insurers monitor their policyholders' driving are taking off, and good drivers can benefit from using them.

Safe driving often yields lower auto insurance rates, and telematics can give carriers real data on your driving habits, like if you are a habitual speeder.

Some car insurance companies advertise that drivers can save up to 25% or 30% on their premiums for being a safe driver with a telematics program. However, it can also identify unsafe driving habits which can result in rate hikes.

## How it works

Telematics car insurance programs collect data to rate how safely you drive, as well as your mileage. They track acceleration, speed, deceleration, distance driven, when you drive and where you drive to calculate your risk level. If you pose a lower risk of accident than the average driver, you can save money on your auto insurance premiums.

When you sign up for a telematics program, insurers will typically give you an enrollment discount up to 10% of your annual premium.

You'll be required to download an app or the insurer will send you a telematics device that plugs into your car.

Telematics devices will usually plug into the onboard diagnostic (OBD-II) port, which is commonly found beneath the steering wheel. This method relies on your car's onboard diagnostic system and a network of sensors that tracks key performance indicators.

## WHAT IT TRACKS

- How often you drive and for how long
- Hard braking incidents
- Fast acceleration
- Speed
- Fast cornering (quick, sharp turns)
- Time of day you drive
- Phone usage while driving

The insurer will monitor your driving for a period of time, usually 90 days, after which they will evaluate your driving and decide on a final discount. Many carriers offer discounts of up to 30% for the drivers they deem the safest or at lowest risk of being in an accident.

## How to get the best discount

Drivers who see the best discounts may include stay-at-home parents, remote workers, retirees and gentle drivers. To get the biggest discount:

- Avoid driving during rush hour and at night.
- Drive a below-average number of miles.
- Avoid harsh braking and cornering.
- Avoid accelerating quickly.

## TELEMATICS PROS AND CONS

### Pros

- Large discount potential.
- Rewards for being a good driver.
- Provides an incentive to improve your driving habits.

### Cons

- Some programs can raise your base rate if you're a bad driver.
- Discounts fluctuate based on driving habits.
- Mobile apps can't always tell if you are a driver or a passenger, so if you're riding in someone else's car you may occasionally need to dispute the data.
- Privacy concerns about being tracked.

## The takeaway

Traditional car insurance costs are based on factors relating to your driving profile, none of which have to do with how well you drive day to day.

On the other hand, telematics insurance programs base your rate on your current driving habits or give discounts for good behavior on the road. With telematics, the better you drive, the more you can save. ❖



Continued from page 1

## Consider Updating Your Home Inventory

loss or theft, coverage is only provided up to a certain limit.

When you make a substantial purchase, it's important to review your policy and possibly increase your limits and coverage.

This could also be a good time to consider updating your home inventory so you have accurate coverage for your belongings and an accurate list of items like works of art, collectibles (stamps,

automobiles, firearms, paintings, etc.), jewelry and antiques.

Take photos of your valuables in each room and save them to your cloud for easy access in case of a loss.

Finally, if you got a new pet last year, that could affect your coverage and you should notify your insurer before your policy renews. ❖



# Simple Tips to Prevent Auto Theft



EVERY THIRTY seconds, a vehicle is stolen in the United States. That means over 1 million vehicle owners find themselves victims of auto theft every year.

In the event your car is stolen, contact the police with the following information immediately: make, model, year, color, license plate number, VIN, approximate time of theft, location and witnesses, if any.

You should know this information, or have it available at all times. Then, contact your insurance company.

That said, it's preferable that your car is never stolen in the first place.

Fortunately, there are steps you can take to reduce the chances of becoming a victim of grand theft auto (see box on right). ❖

## HOW TO KEEP YOUR CAR SAFE

- Install an anti-theft device.
- Never leave the keys in the vehicle, or the vehicle running, while unattended.
- Keep doors locked at all times, and windows up.
- Never store valuables or packages in plain sight.
- Have your VIN etched into windows and other parts of your car, making reselling the vehicle more difficult.
- When parking on the street, turn your wheels, use your emergency brake, and park between other cars (making it harder for thieves to tow).
- Avoid parking in long-term lots if possible.
- Park in a safe, well-lit or well-traveled area at night.

# Smartphone Use Spells Trouble for Drivers

DISTRACTED DRIVING has skyrocketed in the past 13 years and experts say that smartphones are to blame. People are engaging on social media apps, reading text messages and e-mails, and even watching videos while behind the wheel.

The result has been a surge in distracted-driving deaths, reversing of decades of declines due to vehicle safety enhancements.

In 2022, more than 46,000 died in motor vehicle incidents and about eight people are killed every day in distracted-driving crashes, according to the National Safety Council.

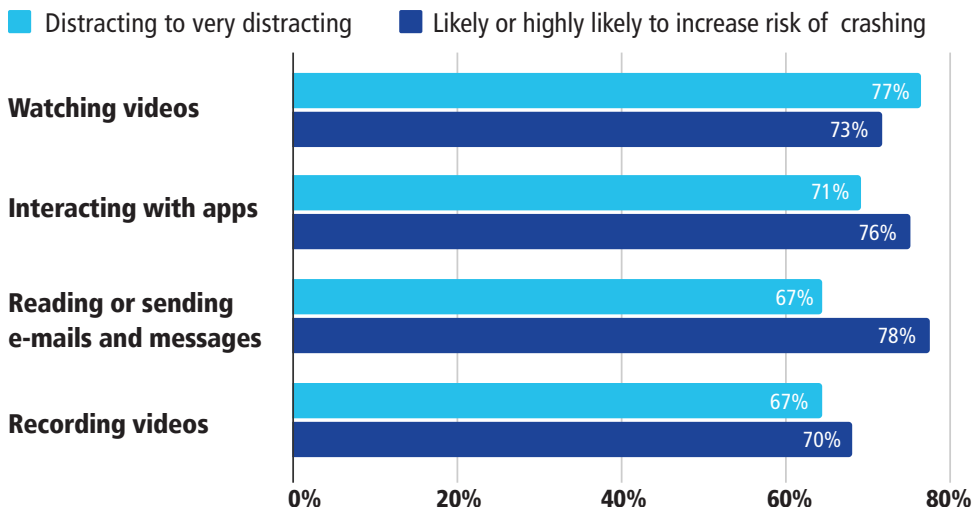
To curtail these deaths, Colorado has laws on the books barring texting while driving and drivers under 18 are prohibited from any cell phone use, including hands-free.

Worse, despite knowing the dangers of using their smartphone while behind the wheel, motorists continue to engage with their devices while driving. A recent study by State Farm found an amazing lack of restraint among drivers who said they interact with their smartphone while driving (see below).



## PERILOUS PRACTICES

Percent of drivers who admit to using their smartphone and that say it is distracting and dangerous.



Source: State Farm "Driving without focus" Survey

## What to do

If you are one of those who continues to use their smartphone while driving, despite the risks, you should take control.

**Tip 1: Don't touch your phone.** Focus on the road, other drivers and road conditions.

**Tip 2: Take the pledge not to use your phone while driving.** Make a commitment to:

- Never text or use an app while driving.
- Always keep your eyes on the road when moving.
- Spread the word to your friends and family that distracted driving kills.

**Tip 3: Address your bad habits.** Think about why you are being drawn to your smartphone while driving.

Once you know what is drawing you to engage in this dangerous behavior, you can figure out ways to stop it. You may want to consider deleting the apps that are most distracting. ❖



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## Do Your Homework Before Buying Solar Panels



**A**S MORE people add solar panels to their homes, some are finding out after the fact that their insurer has exclusions for them or in some cases refuses to insure a home with them.

Homeowners that encounter these problems typically live in areas at increased risk of hailstorms and windstorms. In some cases, they may see their rates skyrocket if an insurer is willing to take on the risk.

Even homeowners in areas not susceptible to hail and windstorms should prepare for higher premiums if they are considering solar panels, since the overall replacement cost of the house will increase.

The bottom line: Check with us about your insurance before you sign on the dotted line on a solar panel contract.

### How they are covered

Homeowner's insurance policies may cover solar panels in two ways (barring any exclusions):

**Attached:** If the panels are attached to your roof, they are usually covered under the policy's "dwelling" coverage. This means that the insurer will pay to replace them up to the full value of your policy in the event of a covered event.

**Detached:** If the panels are mounted to the ground or to a detached garage or other structure, they may be covered under your policy's "other structures" coverage. This is typically set as a percentage of your overall coverage. So, if your dwelling coverage limit is \$600,000 and the percentage is 10%, your other structures coverage would be \$60,000. ❖

### TIPS TO CONSIDER BEFORE BUYING

- **Call us first.** Prior to signing a contract for solar panels, call us to see if your current insurance company will accept them. If they don't, we can look for a replacement carrier. If they do, we'll get a quote for your premium that includes the solar panels.
- **Increase your dwelling coverage.** You may need to increase your policy's dwelling coverage limit. Solar panels may raise the replacement cost of your home.
- **Prepare for rate increases.** Solar panels are expensive, and they will increase your premium.
- **Do the math.** If you find that your homeowner's insurance premium is going to significantly increase after installing the solar panels, you should calculate whether the lower energy bills will adequately offset your rate hike. Also, consider the cost of installing the solar panels.
- **Different approach for leased panels.** If you lease your solar panels or use a power purchase agreement, the solar company may insure the panels themselves. Some but not all. Others will require that you add them to your homeowner's policy.
- **Additional coverage option.** Some insurers offer coverage specific to solar panels. This is usually provided as an endorsement to your homeowner's policy or as a separate policy. These policies will offer additional coverage of damage to panels or loss of panels due to theft.