

NEWSBLAST

Hidden Liability Risk

The Insurance Gaps While Driving for Uber, DoorDash

TO MAKE ends meet, or to build up their nest eggs, many people have turned to moonlighting driving for ride-hailing app Uber or delivery apps like DoorDash or Instacart.

The money can be good, but it's important to understand the insurance implications of using your own vehicle to shuttle passengers or food to earn income.

Uber, Uber Eats and DoorDash carry their own insurance that will cover drivers for damage they cause to a third party's property, or injuries to passengers or other individuals. But other companies' coverage varies and puts the insurance responsibility on the drivers.

Ride and food delivery apps that do offer insurance have policies that are specific about the times during which they will cover passengers or drivers. Many companies will cover you from the time you've accepted a job to the time the food is delivered, or the passengers reach their destination and exit the vehicle.

For all those times you are not covered, you would likely not be able to count on your personal auto policy to cover an accident for which you are found at fault.



Apps and insurance

DoorDash – Up to \$1 million in bodily injury or property damage in "active delivery" mode. During waiting periods, up to \$100,000 for third party bodily injuries and \$25,000 for property damage. It will not cover damage to your car.

GrubHub – GrubHub doesn't offer insurance coverage. You must have your own insurance that meets your state's minimum liability standards.

Instacart – Instacart does not offer insurance for its drivers. You're responsible for having your own personal or commercial liability car insurance that meets your state's requirements.

Uber and UberEats – Insurance that covers at least \$1 million for property damage and injuries to riders and third parties.

Insurance that covers the cost to repair your car, up to the actual cash value, with a \$2,500 deductible, contingent on your personal insurance including comprehensive and collision coverage.

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The coverage gap

Most insurers use the standard personal auto insurance policy created by the Insurance Services Office, which excludes coverage if the vehicle is used for business purposes, including accepting passengers and making deliveries for income.

Policies preclude coverage for any liability, medical payments and physical damage arising from this type of activity. Even insurers that don't use the ISO forms and instead have their own will typically exclude coverage for business purposes.

This creates a coverage gap. If you drive for an app that requires your insurance to cover damages of an accident, they would likely decline the claim, leaving you paying out of pocket. As well, if their insurance limits are insufficient, you'd be left holding the bag, which could be a hefty tab in case of a destructive accident.



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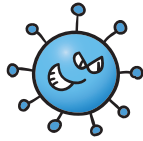
Will Your Policy Cover a Mold Infestation?



MOLD IS A perennial problem for homeowners and, if left untreated, can cause health problems for members of your family.

People exposed to mold can have reactions like:

- Asthma
- Eye irritation
- Itchy skin
- Sneezing and runny nose
- Coughing and sore throat.



While these symptoms can be signs of other health issues, if you have a mold infestation they would likely be more pronounced in evenings and mornings and on weekends, when you are more likely to be spending time at home.

But there are steps you can take to reduce the chance of mold building up in your home. And if you do have mold, your insurer may cover cleanup unless you haven't been diligent about upkeep.



When insurance covers mold remediation

Your insurer will provide coverage if the source of the mold is a peril already covered in your homeowners' policy, such as water damage from a broken water heater or washing machine.

Mold is not covered if you've failed to maintain your home or neglected to fix issues like a leaky shower or faucet for years — or if a non-covered event like flooding hits your home.

If you suffer water damage from a burst pipe or other mishap, keep records and photographs of all damaged areas so you have proof if you need to file a mold claim later, as mold takes time to grow.

Tips for filing a mold claim

- Call us or your insurance company. The insurer will send out an adjuster to assess the damage and make an estimate of the cost to undertake repairs.
- Don't clean any of the mold off the walls.
- Take pictures of all damaged areas and any property or furniture that has been damaged by the mold. If you had a prior leak that ended up causing the mold growth, hopefully you took photos and documented the damage, which you can use to support your claim.
- If you had a prior event like a burst pipe, use your records to support your assertion that the mold is related to your initial water damage claim. That way you won't be subject to having to pay a deductible on two claims, when they should be treated as one.

Prevention

The key to avoiding mold is prevention and basic upkeep:

- Fix leaks after you notice them.
- In humid areas install dehumidifiers in your home or regularly run your air conditioner.
- Install exhaust fans in bathrooms.
- Don't let water build up under house plants.
- Seal windows and doors with weather stripping to keep moisture out.
- Regularly clean out your gutters. ❖



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Consider Securing a Rideshare Insurance Rider

The takeaway

As you can see from the above examples, insurance issues are largely your responsibility with some apps. Your personal auto policy will not provide coverage, meaning you would be on the hook for any damage or injuries you cause while driving for them.

While some apps provide coverage, the limits may be far below real-world costs, particularly if someone is injured or if you damage a luxury car. For example, a property damage limit of \$25,000 would not be enough if you total a BMW 7 series sedan.

If you are planning to drive for one of these apps or already are, you should call us and ask about your options to avoid the coverage gap or lack of coverage.

It's recommended that you secure additional coverage by purchasing rideshare or delivery service insurance either as a stand-alone policy or a rider on your current policy. This may provide a coverage for the gap you face when driving for one of these companies.

You should also exceed California's liability coverage limits on your personal plan, as they are woefully low. ❖

Crucial Coverage

High-Net-Worth Families Are Lawsuit Targets

BECAUSE HIGH-NET worth people have a lot to lose, they make attractive lawsuit targets for attorneys who represent injured parties.

This is why it is extremely important to consider additional liability insurance seriously. Nobody wants to lose their entire net worth and future wages because of a very bad incident or a lapse in judgment. However, this risk must be addressed before an incident happens and before it is too late to get coverage.

There is no legal way to pre-date a coverage change, and dealing with a shortfall of insurance is very unpleasant and a life-changing experience.

What can happen?

Although the most common incident is an auto accident, lawsuits can arise from a myriad of circumstances ranging from swimming pool drownings to social-media libel accusations, and everything in between.

Whether incidents are legitimate or not, people know that affluent people have money, and, because of this, they are good targets.

Is bankruptcy a way out?

Bankruptcy is not for everyone. It is harder for affluent people to be discharged in bankruptcy, because courts do not grant bankruptcy to those whose assets exceed their debts. Asset movements can be traced, and hiding money is not a solution.

Even if a high-net worth individual qualifies for bankruptcy due to a very large judgement, they would still lose much of their assets, and their credit would be damaged for at least seven years.

Bankruptcy can also affect business owners, because it hinders their ability to get loans or reasonable interest rates. For such people, if bankruptcy is even an option, it is a very bad option.

Attorneys

When there is more at stake, attorneys will spend more time on a case. Plaintiffs' attorneys in these cases often work for a contingency of about 30%.

They have a lot to go after, which includes your assets and your wages. They can wear you down until they get what they want or what they think the case is worth. They can emotionally drain you through this process.

If they do not get what they want, they will file a lawsuit against you, which can put you in a difficult situation.

Insurance protection

Most liability claims against you would fall under your auto insurance policy or the liability portion of your homeowner's insurance. However, the liability limits of those policies would not be near enough to cover the costs of a multi-million judgment.

The solution is an umbrella policy that covers you above and beyond the amounts of coverage provided by your underlying policies. The more coverage you have, the more protection you have against losing your assets and having your wages garnished.

It will cover the costs of litigation, other legal fees, awards and settlements.

Coverage is typically purchased in \$1 million increments. You should have at least enough to cover your net worth, including stock holdings, retirement funds and assets like homes and income properties.

The takeaway

There are no rules about how much umbrella coverage you should get, and getting only the amount of your net worth may not be enough.

Also, if your wealth grows, you may want to revisit the limits you have on your umbrella policies. Call us to help you settle on a sum that is adequate for your needs. ❖





Buying a Motorcycle? Secure the Right Coverage

IF YOU have purchased a motorcycle in the last 10 years, you're clearly far from alone: Ownership has risen steadily in the past decade and over 13 million people across the U.S. are now riding motorbikes. And of that total, nearly 20% of all riders are women.

Just as for car drivers, motorcycle riders are required to secure insurance and you want to make sure you have proper coverage in case you are in an accident or your bike is stolen. And if you've purchased a quad, three-wheeler or dirt bike, you should get insurance for these as well.

You also need to know your state's minimum coverage levels for street bikes.

Here are the main things you should be looking at when shopping for a policy.

Your coverage options

There are a number of different coverages you can purchase, but the one you cannot legally go without is liability.

Liability – Most states require you to have a basic set amount of liability coverage, which can vary depending on the state.

There are three types of liability coverage in a policy and each state has its own minimum requirements for the elements in this mandatory insurance.

In California, the minimum liability coverages required by the state are:

- \$15,000 for the bodily injury or death of a person in an accident;
- \$30,000 in an accident with two or more people; and
- \$5,000 of personal property coverage.

But the minimums will not be enough if you do serious damage to another vehicle or seriously injure a third party. Consider buying extra liability beyond the state minimum requirements to protect your assets in case you're sued over an accident.

If you injure someone and are sued, the minimum will not go far in paying both your legal costs and any awards for the third party.

Additionally, most liability portions of policies do not cover passengers, so you should have coverage for them too. "Guest passenger liability" insurance covers any non-household-member riding on the back of the motorcycle.

Most insurance companies require this coverage for a street bike. It's either combined with the liability portion of the policy or it's a separate coverage. This coverage is generally optional for off-road vehicles.

Uninsured/underinsured motorist coverage – This is a smart buy. It pays out for injuries that you and/or your passenger sustain in an accident caused by a driver who is not properly covered or didn't purchase insurance at all. It may or may not include damage to your bike, so check with us on this one.

Extra coverage for bike upgrades – If you own a motorcycle that's been modified and upgraded with more chrome, saddlebags, custom handlebars and other decorative or safety features, you may need to discuss additional coverage in case your bike is damaged.

Experience counts – If you are a first-time motorcycle rider, be prepared to pay more for your coverage.

It's a fact that's been borne out by countless studies: Inexperienced riders are four times as likely to be involved in motorbike accidents than those with five or more years of experience.

Collision coverage – If you're in an accident, regardless of fault and whether there was a third party involved, this coverage would pay to repair your bike after you pay the deductible.

Comprehensive – This coverage will pay for repairs to your motorcycle from damage from other than an accident (like hitting an animal) or replacement cost if it is stolen. Like collision, you have to pay the deductible first.

Medical payments – This pays the medical bills for you and your passenger if you are injured in an accident. ❖