



NEWSBLAST

2025 Changes

Auto Insurance Minimum Liability Levels to Double

STARTING JAN. 1, 2025, California is increasing the minimum liability coverage levels that drivers in the state will be required to have on their auto insurance policies.

The new minimums, double current levels, are meant to keep up with inflation, particularly the cost of car repairs and medical costs. While the minimums have long needed to be increased (they've been in place since 1967, amazingly), they may still not be enough if a driver is found at fault in an accident with a modern vehicle.

The takeaway

If you are currently insured for the minimum levels required by the state, you should consider increasing your liability beyond the new 2025 minimums, which also may not be enough in case of an accident.

If you are found at fault in an accident and the claim costs breach your policy limits, you will be responsible for the rest, which you'd have to pay out of pocket.

You could be in a sticky situation if you crash into a luxury vehicle or if the victims need significant medical care as a result of the accident.

But if you do want to keep with the legal minimums, you'll likely see your premiums increase along with the new levels.

We can work with you to compare rates with other insurers to see if there is better pricing out there.

If you are seeing higher rates, you can also consider increasing your comprehensive and collision deductibles, or even eliminating these coverages altogether on any older vehicles that you have paid off.

These strategies can help offset the premium increases associated with higher liability limits. ❖

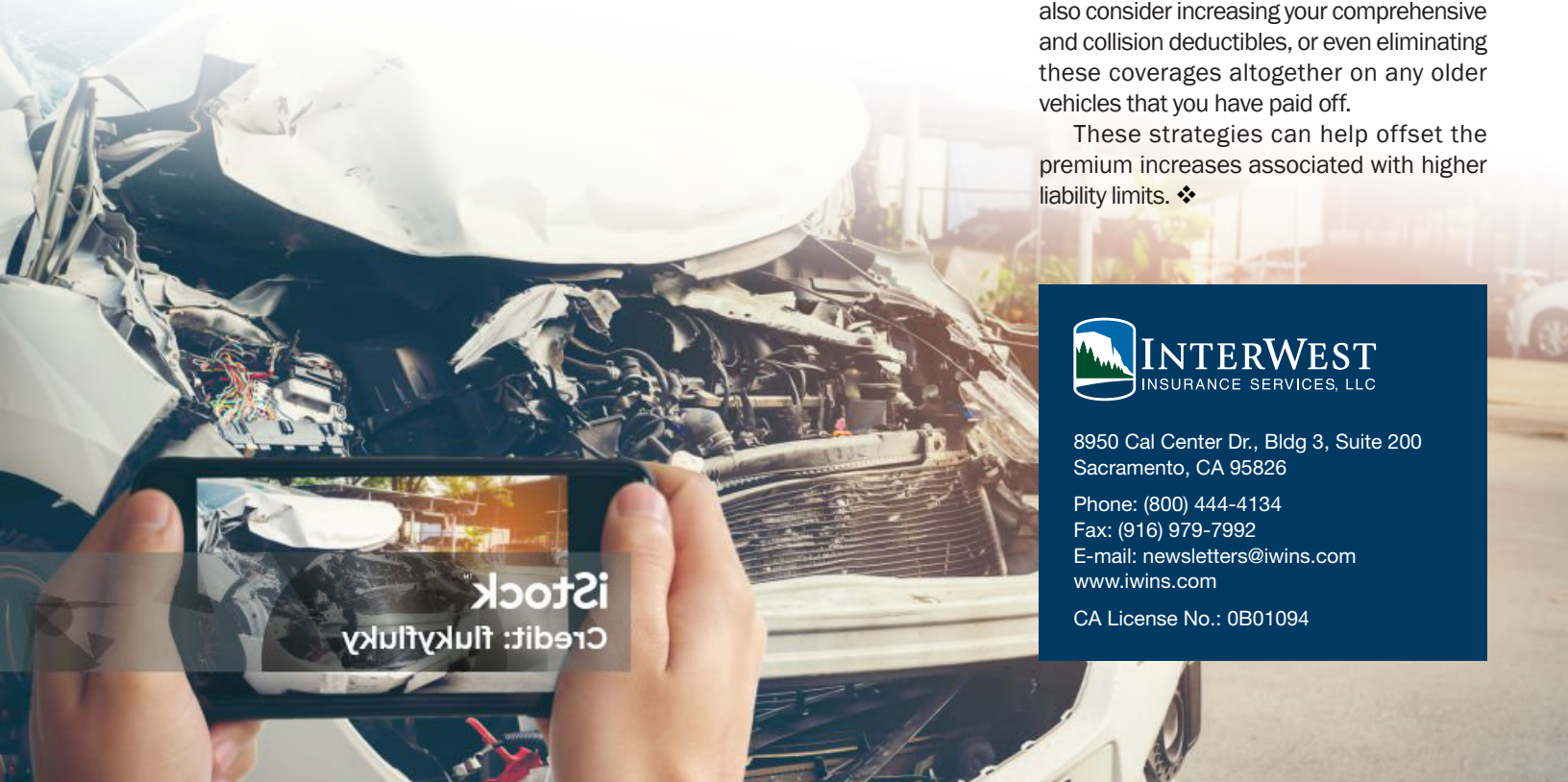
New Minimum Liability Coverages for 2025

- \$30,000 for injury/death to one person, up from \$15,000.
- \$60,000 for injury/death to more than one person, up from \$30,000.
- \$15,000 for damage to property, up from \$5,000.

Why the change?

The new statutory limits are designed to ensure that individuals involved in accidents have sufficient coverage to meet the cost of vehicle repairs, medical expenses and other accident-related costs if they are at fault in an accident. All of these costs have skyrocketed in the last four years.

The new limits also reflect the fact that even minor accidents can result in significant repair costs, particularly in vehicles loaded with new technology.



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Homeowner's Insurance

When Remodeling, Transfer Risk to the Contractor

IF YOU are considering home renovations or a remodel, you need to be aware of the biggest pitfall: liability if the contractors you hire don't carry the necessary insurance.

If a contractor lacks workers' compensation coverage, for example, the homeowner could be on the hook for the cost of medical care and lost wages. The key to avoiding this scenario is to ensure that the contractor is the one bearing the risk and that they have the proper insurance to do so.

You can ensure this through a well-worded contract, which transfers the majority of the construction risk to the contractor.

General liability coverage – The contractor should have this insurance, which covers bodily injury to you or third parties and property damage arising out of their operations.

Check also to see if their coverage includes “products and completed operations,” which covers damage that may arise out of their finished work. If this is not included, then the contractor's liability ends when they finish the job.

Workers' compensation – This coverage is mandatory for all employers, except under very rare circumstances. It covers medical expenses and lost wages if an employee is injured on the job. If the contractor doesn't have workers' comp, you could be on the hook for these costs.

Sometimes small contractors will tell you that they don't need to have it, but that is typically true only if they have no employees and it's a sole proprietorship.

Your insurance

The final backstop for you is your own homeowner's insurance policy and any umbrella insurance coverage that you have.

These policies can ensure that any contested claims are paid and that your insurer may step up to fight claims against you and push the liability to the contractor or their subcontractors.

If you have an ironclad contract to protect yourself, you won't suddenly find yourself out of pocket for damage that you were not responsible for. ❖

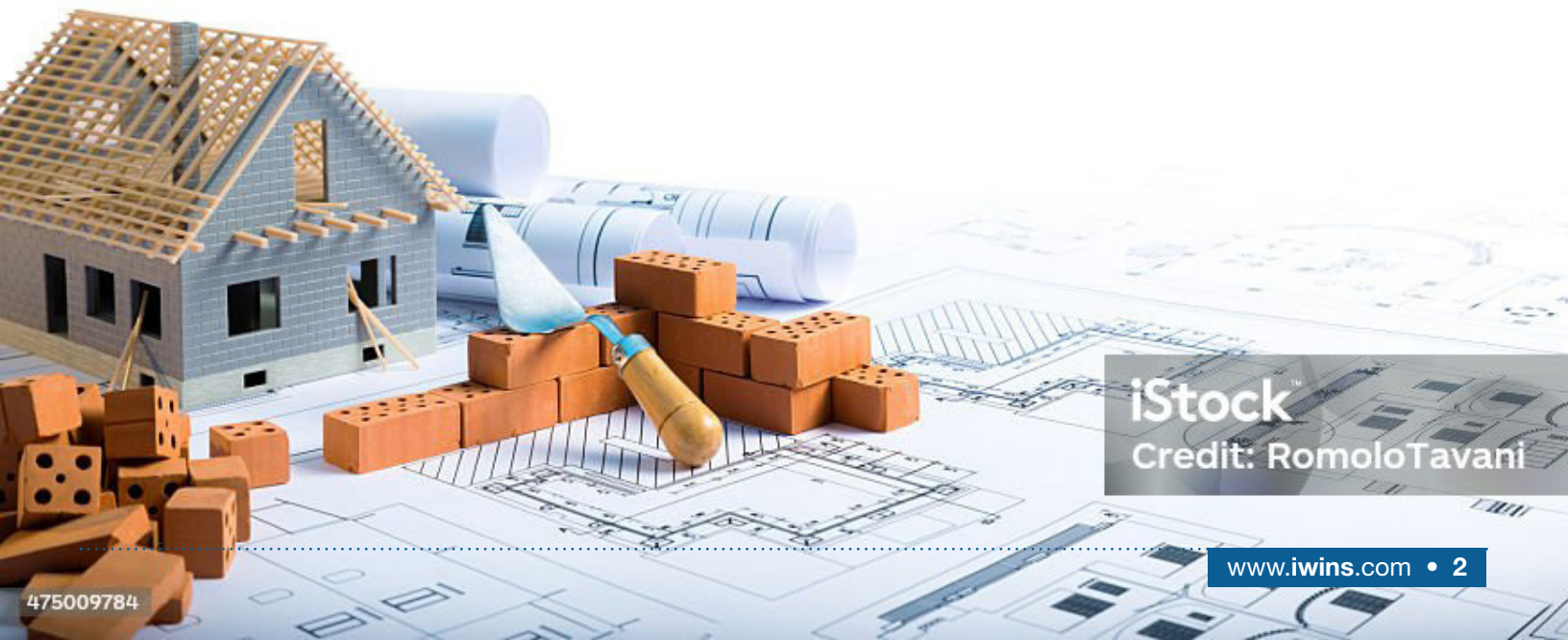
Essential Contract Elements

- Scope of the work and price of the project.
- Legal names of both homeowner and the general contractor, and their addresses (no P.O. boxes).
- The contractor's license and tax ID number.
- Requiring the general contractor to carry workers' compensation and commercial general liability insurance, and that they provide certificates for both policies.
- The contractor should list the homeowner as an additional insured under their general liability policy.
- A hold harmless agreement or indemnification clause that outlines the contractor's responsibilities if their work results in injury or damage.
- Warranty details.
- Project time frame, including start and end date.
- Homeowner responsibilities.
- Clearly outline the payment structure, including the total project cost, deposit requirements, progress payments, and the final payment due upon completion.
- A detailed description of the work to be performed, including all aspects of the project, including labor (man hours), materials, finishes, dimensions and any other relevant details.

Contractor's insurance

When checking a contractor's certificates of insurance, homeowners should look for the following:

Current dates – Check to see that the coverage is current. If it's past the policy expiration date, you should ask for their new policy certificate. Do not proceed if they can't provide an in-effect policy.



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Personal Aircraft

Check Your Insurance Before Climbing into the Cockpit

NEARLY 600,000 Americans are active certified aircraft pilots, according to Federal Aviation Administration estimates.

These pilots fly everything from helicopters to commercial jets. Some own the aircraft they fly.

Whether you own a plane or fly rented or borrowed aircraft, you should be aware of what your insurance can and cannot do and the insurance coverage you need.

A typical homeowner's insurance policy does not cover the policyholder's legal liability for bodily injury or property damage arising out of any of the following:

- The ownership of an aircraft.
- Its maintenance, occupancy, operation, use and loading or unloading by anyone.
- Entrustment of it to anyone.
- Poor or no supervision of a person using it.
- Its use by a child or minor.

Personal umbrella liability policies typically contain similar provisions, leaving you in a precarious position if you are relying on them for coverage.

Aviation insurance

Consequently, it is essential for aircraft owners and renters to purchase aviation insurance.

A relatively small number of insurance companies offer these policies, and the coverage details vary from one company to another. But they all cover legal liability for injuries or damage.

Coverage applies to the policyholder, anyone riding in or using the aircraft with the policyholder's permission, and any other person or organization responsible for the aircraft.

Policies usually cover the use of substitute aircraft while the insured plane is out of service for maintenance or repair.

Aviation insurance limitations

- No coverage for liability that the insured assumed by signing a contract.
- No coverage for damage to property the insured leases, occupies or has control of, though some insurance companies cover damage to leased hangars.
- No coverage for losses occurring when the aircraft's Certificate of Airworthiness is not in effect.
- No coverage for injury or damage that occurs while the aircraft is being used for an illegal purpose.
- No coverage for a loss that occurs when the number of passengers exceeds the maximum stated in the policy.
- No coverage when a pilot who does not meet certain conditions is operating the aircraft. These conditions may include having a valid pilot's certificate, having logged a minimum number of flight hours, and having flown that make and model of aircraft a minimum number of hours.

Also, policies issued to an individual or couple often include coverage for the occasional use of aircraft they do not own.

Aviation insurance also covers damage to the plane itself. Policies typically cover damage from all causes other than:

- Wear and tear, mechanical breakdown and related causes.
- Damage to the tires.
- Depreciation or loss of use of the aircraft.
- Embezzlement.

Call us to make sure that you have the proper coverage and amounts of insurance large enough to adequately protect you. Personal aircraft can be a great convenience for their owners. The right insurance can give you financial peace of mind when you jump in the pilot's seat. ❖



Home Security

Should You Install Electronic Door Locks?

AS OUR LIVES get more high-tech, one feature of your home may one day go the way of the typewriter: your house key. From fingerprint sensors to Bluetooth and Wi-Fi-enabled systems, keyless entry products are rapidly transforming the way Americans secure their homes.

These keyless systems may not be for everyone, particularly anyone that's not comfortable with technology.

However, if you are tech-savvy these keyless entry systems add another layer of home protection that's not available from a typical door. And you don't have to ever worry about losing your keys again.

Are these easy-access locks the right choice for you? If you're not comfortable with technology, they probably won't be. However, if you have no problem programming your DVR, universal remote and household thermostat, a keyless lock may be a good option.

Here are some of the technologies currently on the market:

Biometric fingerprint recognition – This is the latest and greatest keyless entry technology. Biometric locks recognize your fingerprint, allowing you to unlock your home with a swipe of your finger. This type of keyless lock requires you to program it with your fingerprint as well as those of the rest of your family or others you want to allow to access your home.

Keyless deadbolts – These are less expensive than the fingerprint entry system. They are very dependable and also offer keyed entry alongside the digital keypad for added peace of mind in case you forget your code.

Keyless remote door locks – These systems don't require keys or codes that you can forget. They include a fob similar to ones that you use for opening your vehicle. Using RFID technology, the door will open with the press of a button.

Smartphone-controlled locks – These locks synch with your mobile phone via Bluetooth. This allows you to control entry to your home remotely as well as track who is coming and going. Some of these locks will text you when someone else opens your home's door, while others will automatically unlock your door when you approach it.

Keypad locks – These entry systems require you to program an entry code. Though newer, more complex models may allow you to have individual codes for specific people or even program a greeting that will play when the door is unlocked.

Costs and security

Prices for electronic door locks range from \$100 to more than \$1,000, depending on the type of lock and features included. While they can make entering and exiting your home easier – unless there's a power outage or the circuit board fails – they aren't necessarily more secure than traditional keyed locks.

Burglars generally enter homes through unlocked doors or windows or by forcing open a window or door.

If security is your main concern, you're probably better off investing in solid wood or steel exterior doors rather than the latest electronic lock technology. Door jambs reinforced with steel plates will also make it more difficult for an intruder to kick in the door.

Whether you opt for traditional keys or a new, high-tech electronic lock for your home, you should make sure you are properly insured for a break-in. If you don't have homeowner's or renter's coverage, call us. ❖

