

Ground Effect



News you can use!

Shaking Things Up

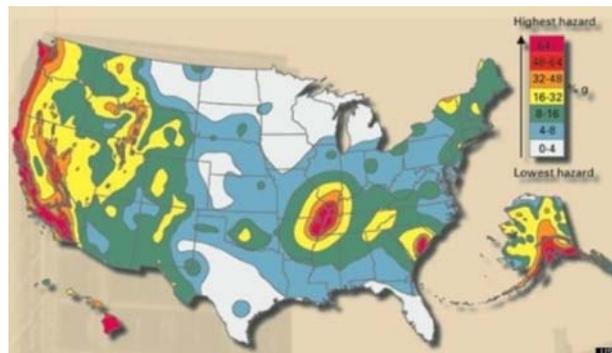
Earthquake Insurance: To buy or not to buy?

by Kimberley J. Stufflet, CPCU, CIC, CAIP

Highlights

- Property capability up to \$100MM
- Automobile liability limits up to \$2MM
- Pollution liability on fuel trucks with MCS-90 Filing
- World wide ocean cargo coverage

After the 5.8 earthquake that hit Washington this summer we received numerous claims filed under property policies that were simply not covered. Unfortunately the broker was left trying to explain to their insured why they didn't have coverage and in many cases, why it wasn't even offered. This can be an E&O nightmare which can be easily avoided by knowing the potential risk exposure and offering the best coverage solution for your client. The easiest way to accomplish this is to ask for an earthquake coverage quote with your property submission. All of our underwriters have access to geographic data that provides a risk evaluation for catastrophic events including earthquake fault zones, flood zones, brush fire zones, wind and hail susceptibility and storm surge data. As you can see from the chart outlined below the Washington/Virginia area is in a low to moderate risk zone which carries greatly reduced rates for earthquake exposures, averaging only a few hundred dollars a year. Those areas in red will generally not be insurable under a standard market policy; however there are markets that offer stand alone earthquake or earthquake/flood policies known as "Difference in Conditions" policies. Your underwriter will be able to assist you in placing the best possible coverage available.



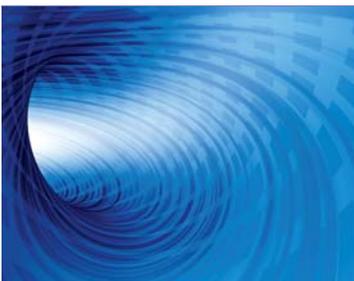
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Shaking Things Up (cont.)

Some key areas to evaluate prior to purchasing coverage include:

- The customer's proximity to a fault zone. This will determine the pricing and eligibility of coverage.
- The amount of equity in the property to be covered. This will help determine the amount of coverage to be purchased. Keep in mind that FEMA and SBA and/or private charities offer funds at low interest rates to help rebuild after a major disaster, however most have limited funds and the eligibility requirements are very strict.
- The financial stability of the company to provide protection. Make sure you place coverage with a company that is financially capable of handling a catastrophic event.
- The features and pricing of the policy. If the insured decides to purchase coverage you need to ensure that they purchase enough coverage to fully replace the property, engineering costs, required ordinance improvements, loss of income and extra expense.
- Consider different deductible options. Policies with 5% and 10% deductibles are available; however the premium is more expensive.



Thomas C. Adderhold, CIC, Begins Term as President of National Association of Professional Insurance Agents (PIA) by PIA National

(Oct 20, 2011) Duluth, Ga. - Thomas C. Adderhold, CIC, of Duluth, Georgia has begun serving a one-year term as president of the National Association of Professional Insurance Agents (PIA). He was sworn in September 25 in San Francisco during a meeting of the PIA National Board of Directors. Adderhold is CEO, and co-owner of Preferred Aviation Underwriters, which is an MGA specializing in property and casualty insurance as related to the aviation industry.

Adderhold began his insurance career in 1976 by purchasing interest in an existing agency, and in 1979 purchased his present retail agency, Preferred Insurance Agency. Tom has grown this operation to its current level by targeting and cross-selling commercial, aviation, personal lines and life & health accounts. Prior to purchasing Preferred Insurance Agency, Tom was a Sales Manager for IBM and enjoyed a successful career earning four 100% Sales Club Awards.

First elected to the PIA of Georgia Board of Directors in 1996, Adderhold has served on its legislative committee since 1998 and is often called upon to lobby at the Georgia state capitol. He served as President of PIA of Georgia in 1999-2000 and has served on the national PIA board since 2000.

Tom is a licensed pilot, and served as Chairman of the Peachtree-DeKalb (Georgia) Airport Authority for ten years. He graduated from the University of Alabama with a B.S. in Business Administration and Marketing and earned the Certified Insurance Counselor (CIC) designation in 1979. Adderhold is a member of the Atlanta Athletic Club and served as General Chairman for the 2011 PGA Championship.

About PIA of Georgia

The Professional Insurance Agents of Georgia was founded on August 27, 1937, as the Georgia Association of Mutual Insurance Agents. The Association is an organization dedicated to effectively preserving and advocating the Independent Agency System as a value added distribution method, and to the development and availability of programs, products, and services that partner with our members and customers in sustaining and advancing their operations. Visit us on the web at www.piaga.com.

About PIA National

Founded in 1931, PIA is a national trade association that represents member insurance agents and their employees who sell and service all kinds of insurance, but specialize in coverage of automobiles, homes and businesses. PIA members are Local Agents Serving Main Street America (SM). PIA's web address is www.pianet.com.

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