



Galveston Insurance Associates (GIA) Included in IIABA's Best Practices Study

GIA IS PART of an elite group of independent insurance agencies around the United States participating in the Independent Insurance Agents & Brokers of America (IIABA, or the Big "I") "Best Practices" Study Group.

Each year since 1993, IIABA and Reagan Consulting, an Atlanta-based management consulting firm, join forces to study the country's leading agencies in six revenue categories.

The agencies comprising the study groups are selected every third year through a comprehensive nomination and qualifying process and awarded a "Best Practices Agency" designation.

The selected "Best Practices" agencies retain their status during the three-year cycle by submitting extensive financial and operational data for review each year.

"We are proud to be selected as a Best Practices agency," said GIA's president, Garry Kaufman. "Congratulations

to all GIA Associates whose hard work and dedication to our clients, community and agency are responsible for this recognition."

More than 1,300 independent agencies throughout the U.S. were nominated to take part in the annual study, but only 267 agencies qualified for the honor.

There are 25 in Texas and GIA is the only agency selected in Galveston County. To be chosen, the agency had to be among the top-performing agencies in one of six revenue categories.

The agency was nominated by either a Big "I" affiliated state association or an insurance company and qualified based on its operational excellence.

The "Best Practices Study" was initiated by the Big "I" in 1993 as the foundation for efforts to improve agency performance.

The annual survey and study of leading independent insurance agencies documents the business practices of the highest-performing agencies and urges others to adopt similar practices.



..... WELCOME TO OUR NEWSLETTER

We value you and appreciate your business. Our goal is to provide excellent service, competitive pricing, and products tailored to meet the special needs of our clients.

We hope the articles in this edition will provide insight into an array of insurance subjects, and we urge you to contact us with questions and comments.

While we will be focusing on Personal Lines topics and issues, we will include articles of general insurance interest from time to time.

GIA is a full-service Independent Insurance Agency with dedicated departments for Personal, Commercial and Health coverage.



If you have a coverage question,
please call us at:

GIA Insurance

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Important Changes to TWIA Renewal Process

IMPORTANT CHANGES are coming to the Texas Windstorm Insurance Association's (TWIA) renewal process for policies that renew March 1, 2020 and later.

As long as the policyholder's property remains in insurable condition, these changes allow the TWIA to offer renewals directly to policyholders and mortgage companies via US mail, and to accept payment directly from them. The first renewal offers were mailed to TWIA policyholders in January for policies effective March 1.

The policy renewal packet contains the renewal offer, payment coupon, and a cover letter explaining the new process and new TWIA policy contract. The same renewal offer and payment coupon will be mailed to the mortgage company shown on the expiring policy, if applicable. Agents will also receive a copy.

POLICY RENEWAL PROCESS

- **60 days prior to renewal:** Renewal offer mailed to policyholder with a copy to the agent of record and mortgage company.
- **25 days prior to renewal:** Expiration Notice (renewal reminder) mailed.
- **Policy expiration/renewal date:** If coupon and payment are received by TWIA before expiration, the renewal policy goes into effect.
- **10 days after policy expiration:** Policy Lapse Notice mailed.
- If payment is received by TWIA after the original policy expiration, but before the renewal offer expires (30 days), the renewal policy goes into effect with a corresponding lapse in coverage. After 30 days, the policy renewal offer expires and a new application is required.

The renewal offer provides the policyholder and agent the ability to confirm coverage details and make necessary changes as they normally would. Policyholders should contact their agent for questions, changes, premium financing and electronic payments.

How will this affect policyholders?

The policyholder can still work with and submit payment through their agent, but will also now have the ability to mail payment directly to the TWIA.

Changes are also being made to the TWIA policy contract for policies effective on or after 1/1/2020.

One important change is that the TWIA will determine residential replacement cost value at the time a policy is issued, instead of at the time of loss.

For all new and renewal policies issued on or after January 1, 2020, the type of loss settlement, replacement cost value (RCV) or actual cash value (ACV) will be determined at the time a policy is issued.

The type of loss settlement for policies issued before that date will still be determined at the time a claim is made.

This is great news for policyholders. It will help them know if their property is adequately insured. There can be a big difference between the replacement cost and the actual cash value of a property.

The law requires TWIA policies to be insured at 80% or more of the replacement cost value of the property to qualify for replacement cost coverage.

Determining if insurance to value requirements are met at the time of policy issuance ensures that going into a claim, all parties are aware of whether or not their claim will be settled at replacement cost. ❖



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Financial Risk

Dangers of Using Your Debit Card as a Credit Card

DEBIT CARDS are convenient. They help people better manage their spending since the money they are spending comes directly from their checking accounts.

Debit cards are especially popular among millennials, because they are convenient and often they don't yet qualify for credit.

A survey by *Bankrate.com* found that 63% of Americans aged 18 to 29 don't have a credit card. And a recent *CreditCards.com* survey found that same age group used debit cards three times more often than credit cards when making purchases under \$5.

But, what makes debit cards so appealing is also what makes them riskier than credit cards.

The credit card scenario

One day you notice \$560.78 in charges you didn't make on your credit card statement. Your card has been compromised even though you still have it in your possession.

You call your credit card provider, who will ask a few questions before temporarily removing those questionable charges from your card and starting an investigation. They'll also cancel your card and mail a new one.

After the probe shows the charges weren't yours, you won't be held liable and life goes on.

The debit card's downfall

Unlike the fraudulent credit card charges, \$560.78 in debit card purchases would draw real money from your bank account.

That's money that you can't use to make your house payment, buy groceries or pay your utility bills.

The problem for you is that there's no guarantee that your money will ever be replaced – especially if you wait too long to report the fraud.

According to federal law, you are only liable for \$50 in fraudulent charges using your debit card if you tell your bank within two days of the fraudulent transaction.

If you wait longer than that but less than 60 days, you can be holding the bag for \$500 in losses.

Anything after 60 days, and the bank is under no obligation to cover the losses at all.

Even if the bank decides to put the money back in your account, it won't happen the same day.

The bank has up to 10 days to investigate. Under federal law, if it does find that the transaction was fraudulent, the bank must replace funds within one business day of coming to that conclusion.

Best protection

1. **Use credit cards.** Banks are required to remove charges if found to be fraudulent.
2. **Check your account often.** Check your bank account online daily – or at least once or twice a week – to identify problems early.
3. **Learn your bank's debit card liability policy.** Find out if your bank will replace fraudulently acquired funds within 48 hours of reporting the problem. If it makes you wait until the investigation is complete, consider opening an unconnected "rainy day" account. ❖

Renter's Insurance Misconceptions among Millennials

IN A RECENT study, researchers discovered that millennials are renting in larger numbers than ever before.

Researchers also found that most (75%) of the people surveyed did not know they could obtain renter's insurance for about the same cost as a pair of movie tickets and had therefore not purchased coverage for their belongings.

They concluded that there was a clear misconception with this group of young people about how important it is to have renter's insurance, and the true cost of coverage. Leaving belongings at risk when about \$20 per month can buy adequate coverage is an unwise move.

Renters often live in properties with multiple units, and they may not always realize how high the risk of fires and other disasters is in these places.

Although property owners are responsible for repairs to the structure in the event of most disasters, they are not responsible for tenants' belongings. It is up to renters to make sure their possessions are protected.

In their research, experts also found that about 40% of people who did not have renter's coverage did not think it was necessary. They said nearly 70% of all young adult renters replied that the cost to replace all of their belongings would exceed \$5,000. Renters who had coverage said they bought policies because they wanted the peace of mind to know they were protected.

RENTERS' BIGGEST FEARS

- Two of respondents' biggest fears were theft and fires.
- About 40% said their biggest fear was fire damage.
- About 30% said their biggest fear was theft.
- Believe it or not, nearly 5% said that their biggest fear was a zombie apocalypse!
- Nearly 25% of the renters surveyed said they would rescue their laptops first, ahead of mobile phones, hidden cash and heirlooms.
- About 40% of respondents said they did not know stolen property was covered in a renter's insurance policy.
- About 30% said they did not believe party mishaps would be covered, and they were surprised to find that many types of damage to personal property or the structure that are typical at parties were covered.

Inexpensive peace of mind

A plan that costs around \$300 a year generally covers up to \$50,000 worth of property. But most people won't need that much coverage as renters.

A policy that covers \$15,000 to \$20,000 worth of property should be enough for most millennials. Such policies can sometimes be had for less than \$200 a year, or as little as \$10 to \$15 a month. (The average renter's insurance premium cost about \$187 in 2017, according to the Insurance Information Institute.)

Renter's insurance is quick and easy to buy, and millennials everywhere should make sure they always have it. To learn more about this type of coverage and how affordable it is, call us today. ❖

