



COMMUNITY SPIRIT



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Birds-eye view of drones and your insurance protection

There are some interesting new technologies that your insurance company and our agency need to stay current with when it comes to automobile and home insurance policies. To name several: so-called autonomous cars (self-driven); Uber and Lyft type ride services; and drones (Unmanned Aircraft Systems or UAS).

Flying off the shelf

Google Trends lists drones as one of the top four items when people type in "I want to buy." With prices starting at less than \$300, drones are expected to be one of the hot Christmas purchases this year. These forecasts and a few inquiries from clients prompted us to include some basic information about the insurance implications in this issue.

Drones legal for personal use

As a recent article on drones at insure.com pointed out, kids and hobbyists have been flying model airplanes – the original drones – since the earliest days of aviation. Today, anyone can fly a drone within his or her field of vision and at a height of no more than 400 feet above ground. **There is one important caveat:** you cannot fly drones in restricted areas such as airports or government installations.

Registrations for outdoor flying

According to www.faa.gov, registration is required prior to operating a personal use drone outdoors. If the owner of the drone is less than 13 years of age, then a person 13 or older is required to register the drone. Registration renewal will be required every three years and costs \$5.

Insuring for recreational use

Personal drones are simple to insure. That is, if you only want to use yours for recreational purposes. Most home insurance policies cover personal property. Personal drones, as "model or hobby aircraft not designed to fly people or cargo", would come under this coverage provision. However, liability exposure is a bigger concern, according to the insure.com article.

Liabilities include an accident that causes physical property damage or personal injury



or invasion of privacy. The personal injury section of homeowners insurance or a personal umbrella policy could protect you.

We'll stay tuned with all the buzz

Without a doubt, there will be more and more news about drones and their uses coming fast and furious, especially about commercial uses and regulations. The Massachusetts legislature is presently considering drone use issues, along with the FAA and other federal agencies. We'll keep you posted about any insurance issues involved.

UpFront & Personal



By Rob Phipps, CIC, and Brian Thomas, CIC

"Since 1950, we've carried on a tradition of personal service and community support."

• Basic woodstove safety steps.

Check for creosote buildup in your stovepipe and chimney. Install a fire-retardant hearth rug. Dispose of ashes in metal container with a tight-fitting lid. Make sure ashes are cool when disposed.

• Planning a trip by car to Canada?

You will need proof of auto insurance. Not a problem. Stop by our office and we will issue you a Canadian proof of insurance card. No charge. Don't forget your passports!

• This winter, clear snow off entire vehicle.

Flying chunks of snow and ice from the roof, hood or trunk could cause a serious accident for the driver behind you.

• Independent insurance agents

play an important role in the MA economy. We employ over 10,000 professionals and provide over \$800 million in wages and benefits. Unlike states dominated by single company captive agents, we service 75% of MA home and auto insurance.

• Planning some fall or spring construction?

Make sure all your home repair or new construction contractors have proper workers comp and liability insurance. Ask them to show you a Certificate of Insurance from their insurance agent.

• Avoid water backups this winter.

Every year we have clients who suffer severe property losses due to damages caused by snow and ice dams at the roof line and melting. Care to remove snow and ice accumulations with roof rakes and ice melt tablets can help prevent backups.

• Are helmets required for ATV operators?

We get this question often at this time of year. In Massachusetts, the answer is yes. The helmet requirement applies to off-road motorcyclist and snowmobile operators too.

• Thanks for recommending us to your relatives, friends and business associates!

Test Your Insurance I.Q.

Q. Rob, do I need to inform you when I pay off my car loan?

A. Yes, please notify us immediately. When you finance a large purchase such as a car, boat, RV or home, your lender must be listed on your insurance to protect their investment. When you have paid off the loan, the lender should be removed from your insurance as they no longer hold a lien on your property.

We invite you to submit questions for this regular column. Email: rhipps@phippinsurance.com

The difference between Replacement Cost and Actual Cash Value insurance coverage

This could be important if you suffer a loss. Here's an example. Your 3-year old TV set, which cost \$1000 originally, is stolen. If you have purchased replacement cost coverage, it will be replaced with a similar quality new TV set. If you have chosen to purchase actual cash value coverage, your \$1000 TV set may be valued at \$400 as a "used" item. You will be paid a claim settlement at that depreciated value. Any doubts? Ask us which you have.



CUSTOMER SERVICE

Quick review to make sure your HO policy is up to date



Review your policy's declaration page. It summarizes your coverages along with your personal and home information. Information included on the declaration page:

- Policy number
- Policy period – the period of time your policy covers
- Your name and address of the policy owner
- Address of the insured premises
- Name of mortgagee – usually your mortgage company
- Coverage types and policy limits that apply to your policy
- Deductible amount for the policy
- Home-rating information
- Discounts received
- Premium amount

Review the personal information for errors or changes, and check that the declaration page reflects the proper coverage levels, as well as any additional riders you may have added. Please call us if you have questions or would like to increase or decrease any coverages.

Sobering National Safety Council stats about texting and driving

- It causes nearly 330,000 injuries from crashes each year.
- It causes of one in four car accidents in the U.S. each year.
- It is six times more likely to cause a crash than drunk driving.



RISK MANAGEMENT Something to consider

According to AAA, each year the average driver spends the equivalent of SEVEN 40 hour work weeks behind the wheel, a 3% increase over 2015. On a monthly basis, 87% of these drivers committed an act of risky behavior, such as speeding, no seatbelt use, or distracted/impaired driving. This resulted in a 7% increase in traffic fatalities nationally since last year.

Now, as MA prepares to join the ranks of marijuana-legal states such as WA and CO, recently published statistics from those states indicate a doubling of fatal crashes involving marijuana use. So, be sure to drive responsibly this winter and continue to *WATCH OUT for the other guy who may not be watching out for you.*

Phipps in the Community



Kathy and Lou Certuse (left) joined Nancy and Rob Phipps (right) for the Upton Men's Club Golf Tournament at Shining Rock GC in Northbridge, MA last September. Lou is our agency's go-to independent insurance claim adjuster and Rob is the owner of The Phipps Agency. The agency and Mapfre [formerly Commerce Ins.] were co-sponsors of the event, which included 136 golfers who helped raise \$14,200 for the benefit of local charities. As usual, Ricky Gaudette and his merry band of volunteers were the unsung heroes of the day.

THANK YOU FOR REFERRING US TO A FRIEND!

About 60% of our new customers are the result of referrals from loyal clients like you.

It is understood that the publisher is not engaged in rendering legal, accounting or other professional service. If legal or other expert advice is required, the services of a professional should be sought. Insurance information is general in nature; for specific coverage provisions, review contractual policy provisions.

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