



Lee Hendrie's

Jan. 2009

Insurance Update

PHD Insurance Brokers, Inc.

"dependability in an uncertain insurance world"

THE WISE PROFESSOR

With all the turmoil going on in the financial markets, in retailing, the auto industry and nearly every small business, PHD Insurance Brokers wants to reassure you, our most valuable client, that we are not slashing our staff or short circuiting our service to save money. In our opinion, now is the time to step up and help you as you think about your insurance needs and try to adjust based on your current situation.

PHD has been stressing superior service for nearly five years now. Extensive training of our staff has been going on. Our receptionist has been thoroughly trained and presents a friendly voice when you call for your service advisor. There is no "menu" when you need assistance from us.

We always have someone available to help you! We keep someone available all day to help you at a moment's notice. While your service advisor may be at lunch, we still have someone to help you, and we don't encourage using the "voicemail" unless you request it. You and your "needs" are something we want to help you with immediately so you won't have to continue to wonder what the answer is and how soon you will get that answer.

Our staff has also been making a greater effort to reach you by phone should you request assistance. Email is not the answer, as too much can get lost in the typed message. We are the insurance professionals, and we want to help you no matter how

many times you call and no matter how many times you may even want to ask the same question. We do not want any client to feel that their question is "dumb" or "redundant." I know that I ask the auto mechanic the same questions over and over because I don't want to become an auto mechanic. I want someone else to be the auto mechanic and give me advice when I need it. At PHD we feel the same way. So "ask away" anytime you want information.

Our business is dependent on you. Perhaps you know that too, as many of our clients depend on their clients to keep their businesses viable. Service is just not a word to throw out. It is a word that means "We want to help you anyway we can."

As I look back over the past five years of increased emphasis on service to our clients, I can say that it took time to get everyone on board. Why? Because service was a word that everyone used but sometimes didn't follow up on. This complete acceptance of service to all our clients is now a high priority for our employees. We sincerely hope you will use them to solve your problems and concerns.

All of us at PHD Insurance Brokers wish each of you and your families a successful and Happy New Year!

Lee Hendrie

www.phdinsurancebrokers.com

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TOP 5 TAX QUESTIONS ANSWERED

It's a fact of life that small business owners are concerned with taxes. Here are 5 most frequently asked questions and (more importantly) the answers.



How do I avoid trouble with the IRS? The answer: record keeping, record keeping, record keeping. Keep all receipts and canceled checks for business expenses, and keep them organized in a safe place by categories such as: auto expenses,



rent, utilities, advertising, travel, entertainment, and professional fees. If you are ever audited, the IRS is likely to focus on business deductions for travel, entertainment, and car expenses for the most part. The burden of proof will be on you for claiming these types of deductions.

What is and what isn't a tax deductible business expense? Almost any "ordinary, necessary, and reasonable" expenses that help you earn business income is deductible. A computer for your office is an "ordinary and necessary" business expense, but buying the same item for your home isn't. The property must be used with the expectation of generating income.

How much can I write off if I use my car for business? You must keep track of how much you use your car, with records, in order to figure your deduction from its use. Start by keeping a log showing the miles for each business use, always noting the purpose of the trip. **Continue Pg 3**

In today's economy every dollar must be stretched even farther than before. Make sure your policies have the most coverage at the best price possible. CALL TODAY for a policy review.

The History of New Year's

January 1st is considered New Year's Day in today's society. But this is a fairly new concept because up until the time of Julius Caesar, the Romans celebrated the New Year in March because it was the first month in the Roman calendar. However, January 1 marked the time when the Romans changed their governmental figures and new consuls were inducted into office. And, they had games and feasting to help celebrate the new officials. But, they still used March 1 as their official mark of the new year and had a festival to their god, Mars (God of War). It was Caesar who changed the Roman New Year's Day to January 1 in honor of Janus, (God of all beginnings and gate keeper of heaven and earth). Janus was always

depicted with two faces: One looking back to the old year (past) and one looking ahead to the new year (future). One of the customs in the festival honoring Janus was to exchange gifts and then make resolutions to be friendly and good to one another. When Constantine ruled the Romans and accepted Christianity as their new faith, they kept the Festival of Janus as the New Year's Day (Not March as before) and turned it into a day of prayer and fasting and not parties etc. It was a day for all good Christians to turn over a new leaf. However, the Romans may have accepted January 1 and Janus as the New Year, but many did not accept the turning over a new leaf, prayer and fasting part of it.

Even in 1582, Great Britain and the English colonies in America still kept March for the

beginning of the year. (Spring as a beginning?) It wasn't until 1752 that Britain (and it's colonies) adopted the new Gregorian calendar and January 1 as the beginning of the year. But many Puritans in New England felt Janus was an offensive pagan god and chose to simply ignore January 1 as a New Year's Day. Instead they just made the entire month of January as "The First Month" of the months.

Today no one really considers January 1 a fasting day. Ironically, for many it is a major day of feasting on junk food and watching football games on television.

How did New Year's Resolutions all begin?

Once again, we go back to the wild and crazy parties of the ancient Romans. :) They indulged themselves in alcohol

and excess as a way of acting out all the chaos that they hoped a new year would get rid of. So,



the New Year's festival was a way to start over. By purging yourself of all this so-called excess energy and confessing your sins, there was a hope that you would be much better in the next year ahead.

WHAT YOUR HOME INSURANCE DOESN'T COVER

Most people think about their homeowners insurance when they purchase it, when they write premium checks, and when they have a claim. By the time something goes wrong, it may be too late to begin learning about your policy. Pull it out and check the following:

Mold and water damage – A huge increase in mold-related claims in some states, including California, has many insurers evaluating what they will cover for the homeowner. More than 30 states are now allowing insurers to cap their mold coverage or exclude it from homeowners policies altogether. Many insurers are limiting how much they will cover for water damage, as well. You should check your policy now and when you renew to see if you are covered, and for how much.

War, nuclear accidents and terrorism – Although insurers have long excluded war and nuclear accidents from coverage. Now since 9/11, an increasing number of insurers are specifically excluding terrorism coverage from their personal insurance line, such as homeowner's policies.

Natural disasters – The more likely you

are to be a victim of a natural disaster, the more reluctant insurers may be to cover you. California residents are able to get earthquake coverage from the state-run California Earthquake Authority or from a handful of insurers willing to write earthquake policies, but fires in forests where your home is far from fire stations, floods, and landslides are covered separately or not at all where homeowners are concerned.

Neglect – Insurers expect you to take care of your home and deal with any maintenance issues on your own dime. Losses from things such as termites, rodent infestations or a water leak that you never got around to fixing will typically not be covered by your insurer. Therefore, if you find a problem with your home, fix it. Home maintenance problems usually just get more expensive.

Dogs – Dog bites cost insurers about \$310 million a year, and an increasing number of companies have a blacklist of breeds they won't accept or they will charge more to cover. Pit bulls, German shepherds, Rottweilers, wolf hybrids, huskies,

malamutes and Dobermans are all troublesome breeds to insurers.

Intentional damage – If your ex sets fire to your home, you're probably covered. If the fire is started by your rebellious teenage or an estranged spouse, however, you may not be. Intentional damage by an insured person typically isn't covered.

Computer equipment – Some insurers will give you a check only for what your computer equipment is worth now, which is probably a fraction of what you paid for it. Even those that do pay for replacements typically have a cap, often about \$2,500. If you require more coverage or run a business from your home, you need to check with your broker about supplemental coverage.

Luxury items and collectibles – The typical homeowner's policy limits coverage for luxury items and collectibles. That coin collection or your jewelry, watches and furs may need supplemental insurance if you want them covered to the fullest extent.

(Cont)

TOP 5 TAX QUESTIONS ANSWERED

At the end of the year, figure your deduction by using either the “mileage” method (deducting a certain dollar amount for each mile you drive), or the “actual expense” method (deducting the total you pay for gas, repairs, plus depreciation, according to a tax code schedule and multiplied by the percentage of business use). Figure it both ways and take the method that benefits you more. Can I claim a deduction for business-related entertainment? You may deduct only 50% of expenses for entertaining clients or customers, such as taking a client to a ball game, concert, dinner at a fancy restaurant, or just inviting clients to your home for a get-together. Events that you put on for your employees and their families are

100% deductible. You must prove these types of events were related to business by keeping a guest list noting the business relationship of each person entertained. What type of business supplies and equipment are deductible? Current expenses, which include the everyday costs of keeping your business going such as office supplies, rent, and electricity can be deducted from your business’s total income in the year you incurred them. Expenditures for things that will generate revenue in future years—a desk, copier or car, for example—must be written off over their useful life which is usually a period of 3, 5, or 7 years, according to IRS rules.

PHD Wants to Hear From You!!!

If you have a question or comment about a Article, or if you have a idea for a article, please email us info@phdinsurancebrokers.com.

Please have the subject line read newsletter.

You may get your comments posted in the newsletter’s new column.

Save Up To 15% on Both Your Home and Auto Policies with PHD now. CALL for more details **800-640-4743**

Congratulations to

Sat Hari Khalsa, the winner of December’s drawing for a \$50 Gas Card for referring a friend to PHD.

Charles A. Terranella is the quarterly drawing winner for a \$150 dollar gas card.

Sat and Charles are now qualified for the Grand Prize drawing for a \$1,500 shopping spree or a 3-day/2-night “Trip To Las Vegas.”

Tell your family and friends about PHD Insurance and you, too, could have a chance to win the Grand Prize!!!

For more details call or visit

www.phdinsurancebrokers.com/clientrefer1.htm

NEW CALIFORNIA LAW BANS TEXTING

Effective Jan. 1, 2009, a new law expands the prohibition of using a wireless commu-

nication device while driving such as text-messaging, instant messaging, and email. Violating the law is an infraction and the violator is subject to a:

\$20—\$76 fine for the first offense and \$50—\$190 fine for each subsequent offense. A negligent operator point will **not** be assigned to a driver found guilty of a text-messaging violation. For more information, visit the California Legislative Information website:

www.leginfo.ca.gov



nication device while driving a motor vehicle, to include writing, sending, or reading a text-based communication



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Corona, CA

IT IS GRAND PRIZE TIME

PHD WILL BE ANNOUNCING ITS GRAND PRIZE WINNER



Tell your family and friends about PHD Insurance and you, too, could have a chance to win the Grand Prize!!!

For more details call or visit

www.phdinsurancebrokers.com/clientrefer1.htm

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