



Lee Hendrie's

August , 2008

# Insurance Update

PHD Insurance Brokers, Inc.

*"dependability in an uncertain insurance world"*

## The Wise Professor

Did you know that there are more birthdays in August than any other month? Did you know that there are more weddings in June than any other month? We all like to see if we fit into the pattern of our peer groups.

So what does this have to do with insurance?

Commoditization of the insurance business is the answer. Insurance companies, regulators, and the media are all giving us the idea that insurance is all alike; go to this website or that website and get the lowest price. It seems that we are starting to fall for that line without even questioning whether the cheapest or the same coverage is the right thing for us.

We don't all have the same amount of assets to protect. We don't all have the same size home to protect. We don't all have the same amount of jewelry to protect. And then, when we find someone who just doesn't care, we wonder why we got involved and let someone else compare us to that person who doesn't share the same values as we do.

Can you imagine going into court with a book entitled "How to Practice Law for Dummies"? No way! We would never start defending ourselves when we are being sued. What you would do is get an attorney to represent you, because this is no time to start learning how to be a "Dummy Practicing Law."

The same is true for being a prudent person purchasing automobile insurance, home insurance, life insurance or just about

any other kind of insurance. Insurance policies vary widely in what exposure to loss they will cover. They vary widely in how much co-insurance you will have included in your policy. They vary on the deductibles, the exclusions, the conditions and also the final claims payments. Really, insurance is not a commodity. You shouldn't be grouped into a category by someone who doesn't even know you or what you stand to lose.

Over the last 42 years, I have seen nearly every kind of claim, and no two have been exactly alike. Why? Because accidents that cause claims are not alike. Do you think all fires are the same size? Is every dent the same in every collision? Does everyone who becomes disabled stay disabled for the same length of time? See what I mean?

PHD Insurance Brokers helps its clients determine what risks they have, how much of the risk the client should be responsible for, and how much risk they should pass on to the insurance company by way of purchasing the right policy for what they can't afford to lose. Yes, smart buyers find out from professionals what they should do. They have the feeling that a middleman is good and will save them money, too. August is also known as the long, hot month. Don't let the insurance companies, media

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## Will California Drivers Ignore Cell Phone Ban?

Motorists who use cell phones can be ticketed in several states, but low fines and lax enforcement limit some laws' effectiveness. Teens may be the biggest offenders. States are banning drivers from using handheld cell phones, but that doesn't mean people are listening.

With little knowledge or enforcement of the bans in states who have previously passed laws regarding the use of hand-held devices, will drivers in California be any different regarding the laws which took effect here on

2008? There are as yet no insurance penalties for many drivers, and it is not clear whether the laws are much of a deterrent, according to the non-profit Insurance Institute for Highway Safety's own study released in June, 2008.



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**Boating season is here. Is your boat, RV, personal watercraft, or off-road vehicle insured? If the answer is, "no", call or visit us on the web for your FREE Family Protection Quote !!!**

# PHD Would Like to Say Thanks

At PHD we understand you have many choices when it comes to your insurance needs. We are dedicated to providing the highest quality of customer service, the most competitive rates, and the assurance that the entire PHD Protection Team is working to keep you, your loved ones, and your assets protected from the unforeseen.

## PHD offers a comprehensive line of personal insurance products

- Automobile
- Earthquake
- Flood
- Condominium
- Motorcycle/Recreational/Off-Road Vehicles
- Boats/Motor Homes/Personal Watercrafts
- Extended Warranty For New & Used Vehicles
- Classic/Antique Cars
- Mexican Auto Insurance
- Homeowners
- Personal Liability Umbrella

## Tips For Better Gas Mileage

### Drive Sensibly

Aggressive driving (speeding, rapid acceleration and braking) wastes gas. It can lower your gas mileage by 33 percent at highway speeds and by 5 percent around town. Sensible driving is also safer for you and others, so you may save more than gas money.

**Fuel Economy Benefit:** 5-33%

### Observe the Speed Limit

While each vehicle reaches its optimal fuel economy at a different speed (or range of speeds), gas mileage usually decreases rapidly at speeds above 60 mph. You can assume that each 5 mph you drive over 60 mph is like paying an additional \$0.30 per gallon for gas. Observing the speed limit is also safer.

**Fuel Economy Benefit:** 7-23%

### Remove Excess Weight

Avoid keeping unnecessary items in your vehicle, especially

heavy ones. An extra 100 pounds in your vehicle could reduce your MPG by up to 2%. The reduction is based on the percentage of extra weight relative to the vehicle's weight and affects smaller vehicles more than larger ones.

**Fuel Economy Benefit:** 1-2%/100 lbs

### Avoid Excessive Idling

Idling gets 0 miles per gallon.



Cars with larger engines typically waste more gas at idle than do cars with smaller engines.

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## Boating Safety Tips

There are thousands of recreational boating accidents per year. To prevent boating accidents, we offer these safety tips:

### Care and protection of vessel:

- Check weather forecasts before heading out.
- Let someone know where you're going and when you expect to return.
- Check engine, fuel, electrical and steering systems, especially for exhaust-system leaks.
- Carry one or more fire extinguishers, matched to the size and type of boat. Keep them readily acces-



sible and in good working for immediate use.

- Equip the vessel with required navigation lights and

- with a whistle, horn or bell.
- Consider additional safety devices, such as a paddle or oars, a first-aid kit, a supply of fresh water, a tool kit and spare parts, a flashlight,

flares and a radio.

### Care and protection of crew and guests:

- Make sure that every person on board the boat wears a life-jacket.
- Know and obey marine traffic laws, the "Rules-of-the-Road". Learn various distress signals.
- Keep an alert lookout for other watercraft, swimmers, floating debris and shallow waters.
- Pay attention to loading. Don't overload; distribute the load evenly; don't stand up or shift weight suddenly in a small boat; and don't permit riding on the bow,

seatbacks or gunwales.

- Don't operate a boat while under the influence of alcohol or drugs.

**Insuring your boat** means getting protection for you, your passengers and others. At a minimum, you need liability and comprehensive insurance coverage. Ask a PHD Protection Team Member for more details regarding marine insurance to meet your needs.

## (Cont.) Will California Drivers Ignore Cell Phone Ban?

Researchers in North Carolina observed the number of teen drivers on cell phones was essentially unchanged after the practice was banned there in December of 2006. In fact, the number of teen drivers observed after five months into the ban in that state had increased from 11% to 12%, with girls more likely to be using their cell phones while driving than boys. SUV drivers were more likely than sedan drivers, and solo drivers were more likely than those with passengers to use their cell phones while driving.

The level of enforcement varies by state, with some only citing drivers if they are stopped for another offense. The Public Policy Institute of California concluded in May that low penalties—the state’s base fine will be \$20—likely wouldn’t deter drivers even if the law is strictly enforced. Local jurisdictions make their own decisions on fines for traffic citations, so penalties vary in different locations.

The insurance industry has not taken a position on the bans, according to the Insurance Information Institute, an industry-funded trade association. That

doesn’t mean there wouldn’t be consequences. “Obviously, if you’re doing this and getting into accident, it’s going to affect your premiums,” said Bob Passmore of the Property Casualty Insurers Assoc. of America, an industry trade group.

Teenagers are involved in three times more fatal crashes than other drivers, according to the National Highway Traffic Safety Administration, and cell phone use is highest among young drivers: 8% of drivers age 16 to 24, compared with 4% of drivers 25 to 69. But a ban on cell phones is hard to enforce when it applies only to some drivers, because it’s hard to guess a person’s age, says a spokesman for the Insurance Institute for Highway Safety.

In California, an officer will be able to stop any driver of any age holding a cell phone and talking on it, but officers won’t be able to use checkpoints to enforce the ban for under-18 drivers.

**Congratulations to Noa Suzuki** for being our July, 2008, \$50 Gas Card Winner. Noa has now qualified for a chance to win our quarterly \$150 Gas Card drawing as well as 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!!!**

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[www.phdinsurancebrokers.com/  
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**Have you bought a home or gotten married? Now would be a good time to call or visit us on the web to evaluate your policy limits to insure you are properly covered. [www.phdinsurancebrokers.com](http://www.phdinsurancebrokers.com)**

## Something To Consider

Many times as a business owner you are put in a position where you must call upon an employee to run to the hardware store, pickup office supplies or just to go pickup lunch. Just think of it in these terms, if someone (paid or volunteer) is driving on behalf of your company in a vehicle your company does not own, there is a potential gap in coverage. The driver’s insurance would be the primary insurance, but if their limits were not high enough to cover the damages from an accident your company would be liable for the balance. Normally, a business auto insurance policy will only insure your company vehicles and will not cover a non-owned auto vehicle. Therefore, it is important that you find out if they are included. If they are not, you might want to consider adding them. Another factor to consider is that if they have not listed their vehicle

for business use, there may be no coverage at all. What is a non-owned auto liability policy? **Non-owned covers bodily injury and property damage caused by a driver of a vehicle that is not owned by your company.** What does it covered? **Non-owned auto liability covers rentals or borrowed vehicles and vehicles owned by others, including your employees.** What is not covered? **Non-owned auto liability will not cover damages to the vehicle itself. This is an optional coverage.** The benefits of non-owned auto liability policies. **If you rent vehicles, you would not have to purchase liability insurance for the vehicle. You would only need the collision damage waiver.**



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### Our Clients Say It Best

#### Savings

“PHD, you are great!  
You saved us money.”  
John B.  
Los Banos, CA

#### Premium lowered

“Your staff was helpful in getting my premium lowered.”  
Nenita D.  
Los Angeles, CA

#### Frequent changes handled

“...college kids coming and going and our insurance needs frequently changing, we’re treated like family.”  
Karen K.  
Dana Point, CA

## (Cont) Tips For Better Gas Mileage

### Keep Your Engine Properly Tuned

Fixing a car that is noticeably out of tune or has failed an emissions test can improve its gas mileage by an average of 4 percent, though results vary based on the kind of repair and how well it is done.

Fixing a serious maintenance problem, such as a faulty oxygen sensor, can improve your mileage by *as much as 40 percent*.

**Fuel Economy Benefit:** 4%

### Check & Replace Air Filters Regularly

Replacing a clogged air filter can improve your car's gas mileage by as much as 10 percent. Your car's air filter keeps impurities from damaging the inside of your engine. Not only will replacing a dirty air filter save gas, it will protect your engine.

**Fuel Economy Benefit:** up to 10%

### Keep Tires Properly Inflated

You can improve your gas mileage by around 3.3 percent by keeping your tires inflated to the proper pressure. Under-inflated tires can lower gas mileage by 0.4 percent for every 1 psi drop in pressure of all four tires. Properly inflated tires are safer and last longer.

**Fuel Economy Benefit:** up to 3%

### Use the Recommended Grade of Motor Oil

You can improve your gas mileage by 1-2 percent by using the manufacturer's recommended grade of motor oil. For example, using 10W-30 motor oil in an engine designed to use 5W-30 can lower your gas mileage by 1-2 percent. Using 5W-30 in an engine designed for 5W-20 can lower your gas mileage by 1-1.5 percent. Also, look for motor oil that says "Energy Conserving" on the API performance symbol to be sure it contains friction-reducing additives.

**Fuel Economy Benefit:** 1-2%

### Plan and Combining Trips

Combining errands into one trip saves you time and money. Several short trips taken from a cold start can use twice as much fuel as a longer multipurpose trip covering the same distance when the engine is warm. Trip planning ensures that traveling is done when the engine is warmed-up and efficient. With a little planning, you can avoid retracing your route and reduce the distance you travel as well. You'll not only save fuel, but also reduce wear and tear on your car.