

# "The Circle Of Safety"

## Consumer Awareness Advisor

News and Tips to Make Your Life Easier, Safer and Happier!

For Friends and Clients of **CSC Insurance Options**

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## Do You Still Have 'Old-Fashioned' Protection In A Dangerous, Expensive Modern World?

### Part 1: Avoid Paying For Property Damage Out Of Your Pocket

According to an April 2003 article published by Motor Trend, "... the average sticker price of vehicles sold to consumers topped \$28,000 for the first time in history, up nearly 9 percent from a year ago."

Isn't that amazing? More than \$28,000 is now the average cost of a new car or truck. And the upward trend in car and truck prices will undoubtedly continue.

But why is that important to your insurance program? Because when you cause an accident, your insurance and you pay for the other people's vehicles. You could be sitting on "old-fashioned coverage limits" that won't fully protect you at today's big-ticket prices. That means your claims may not get paid in full, and that would be very bad!

#### Accidents Happen – Even To You

Imagine you're involved in a multi-car accident. Unfortunately, the police decide that you're at-fault for the accident, and that means you're on the hook for the damages. No worries. Your insurance will cover it, right? Maybe.

Insurance companies only pay up to the limit of protection you've purchased. Any

losses greater than the limit of your insurance are *your personal responsibility*. So, the question is, "Are your coverage limits high enough to properly protect you in today's modern world?"

#### Can You Afford This Bill?

We've already seen that the average new car costs more than \$28,000 these days. What if an SUV and a Mercedes are totaled in your accident, and you need to come up with \$56,000 in damages?

"Property Damage" (or PD) covers this kind of loss. So, what is the Property Damage (PD)

### Client of the Quarter

This agency is nothing without the loyalty of you, our valued clients. It is in recognition of that loyalty and gratitude for your business and faith in us that we honor

**Donald and Betty Croftcheck, Grindstone, PA** as our "Client of the Quarter."

Donald and Betty will receive a Gift Basket from CSC. Thank you, Donald and Betty, for your continued business!

*(Here's a hint of who the next Client of the Quarter will be: It could be you! Watch this space for the announcement.)*

### What's Inside

- ◆ CSC In The Community: Local Programs; Meet Our People
- ◆ You can win prizes! Take a look inside...

limit on your auto insurance policy?

- If your PD limit is \$25,000 – which *used to be* good protection years ago – **that won't even pay for one car!** In this case, you are personally responsible for \$31,000 of damages. Yikes!
- Even if your PD limit is \$50,000 – which is very common – you are still personally responsible for \$6,000 of damages!

These days the damages from a multi-car accident could easily go well beyond the above scenario – and they often do. It's critically important you understand that you are personally responsible for any amount of damage over the limit of the Property Damage protection you've purchased.

### **Risk vs. Reward**

The fundamental nature of all your insurance decisions is risk versus reward. In this case, higher protection limits cost more. So, with lower limits you save money on the cost of your insurance. That's the reward.

But there's a risk associated with that reward. As we've seen, if you suffer damages greater than your protection limit then you pay those damages out of your pocket. That's the risk.

Here's where your personal decision comes in. You must decide how much risk exists and how much risk you're willing to take ... in favor of saving a couple of bucks on your premium. No two people have the exact same risk tolerance and budget. So, it truly is a personal decision.

Of course, we are here to offer advice and counsel, even though the decision is yours.

These days anyone with only \$25,000 of Property Damage protection is simply asking for trouble. At \$50,000 there's still a good chance an accident could go over the limits. Therefore, given the value of the cars and trucks on the road today – plus the growing value of everything else you might hit with your car – \$100,000 Property Damage coverage is our "modern-day" minimum recommended protection.

### **Offsetting the Cost of Modern Insurance**

Modern times call for modern insurance. Protecting yourself with higher insurance limits is smart, but it also costs more. You can offset the increase by raising your deductibles.

The cost of everything has gone up. That's the way of the world. But wages have gone up, too. According to the Census Bureau, the median household income rose from \$31,241 in 1993 to \$42,400 in 2002.

Low deductibles – like \$100 and \$250 – just don't make sense anymore. You probably wouldn't submit a claim that small, but you're paying big bucks for the coverage. Plus, low limits tempt you into submitting small claims, and that leads to rate increases.

I recommend a \$1,000 deductible on home insurance and at least \$500 on your auto insurance comprehensive and collision coverage.

### **Take Action**

Take a few moments to modernize your insurance program. Call our office for some help and advice. That's why we're here. After you've had a claim, it's too late to make changes. So, do it soon!

## **Insiders' Secrets ... (What you don't know could hurt you!)**

Insurance was created for sudden, unexpected, tragic events. But many people use their auto and home insurance for anything and everything they possibly can. Industry insiders call that a "maintenance policy" ... and insurance companies hate maintenance policies! Why? Because it costs them a lot of money to process a claim. They'd rather process fewer large claims than lots of little claims.

Now, who cares about the insurance companies, right? I hear ya. But there's an impact on YOU, too. A conscientious person can use this insiders' secret to *save big money* over the years.

First, by submitting lots of little claims you create a "claims frequency problem" on your record. This could increase your rates, make your policy more likely to get canceled, and make getting new insurance tough or extremely expensive. In other words, your claims record will haunt you ... and cost you.

Second, if you "signal" the company you won't submit a lot of small claims, they give you a huge price break. What's the signal? Raise your deductibles. You save money now. You save money in the future.

# CSC IN THE COMMUNITY

## CSC ANGEL TREE BRINGS CHRISTMAS TO 35 CHILDREN



CSC "Angels". First Row, l to r: Bonnie Vedder, Susan McMichael, Krissie Sprowls, Terri Green, and Diane Tierno. Second Row, l to r: Nancy Davis, Kathy Jakela, Jill Brock, Mary Perrotta, Lori Jo Stange, Ginnie Furio, and Cindi Lowden. Back Row: Pam Dolfi and John Gilmore.

Employees at CSC Insurance Options organized an Angel Tree, purchasing Christmas presents for local children who otherwise may not have received them. Through our collective efforts, 35 children aged four months to 12 years shared in the joy of the holiday season with a much-needed item of clothing or toy.

Marlene Arnold (center) receives gifts from CSC "Angels" Amy Vollmer, Personal Insurance Manager (l) and Kathy Jakela, Customer Service Supervisor (r).



The gifts were presented as part of the 10<sup>th</sup> Annual Mon Valley Party for Needy Children, at the Orchard Christian Fellowship in Monessen on Saturday, December 20<sup>th</sup>. The event was founded in 1993 by Mon Valley resident Marlene Arnold and grew to serve 250 to 300 children.

## DONATION HELPS LOCAL YOUTH

CSC Insurance Options had a hand in the successful startup of a local Western Riding Camp for youth. The agency donated \$25,000.00 toward the construction of one of four cabins at the Shekinah Western Ranch Camp in Speers, PA. Shekinah is a week-long camp for youth aged eight to 18 combining spiritual reflection, team building and equestrian skills to heighten a youth's awareness of their unique talents and foster character growth.



Pastor Tom Ravasio, Shekinah founder, saw the Christian-based camp as a chance to give back to young people. "Thanks to sponsors like CSC, a dream became reality. Using horses, we are able to teach young boys and girls to respect themselves and others."

Pastor Ravasio opened Shekinah in Summer 2003 to 54 ranchers who had little, if any, experience with horse riding. "And by the end of each week, you wouldn't believe how much these kids learn," said Ravasio. "Not just about the horses — but about themselves."

## MEET OUR PEOPLE...

Donora resident Kathy Jakela is our new Customer Service Executive. She will assist a select group of VIP customers at CSC in addition to her existing responsibilities as Personal Insurance Customer Service Supervisor for nearly 14,000 clients. Kathy is a two-time Employee of the Month, has 20 years of experience and is a licensed Property & Casualty Agent. She has been with CSC since 1991.

Cheri Morris of Perryopolis was one of the bright, cheery voices you may have heard when you contacted CSC. Cheri moved from her position as Receptionist to Customer Service Assistant, and will be greeting customers and handling business retention efforts. Cheri recently earned her Property and Casualty License, and has been with CSC since 2002.

Bonnie Vedder of Donora advanced to Technical Operations Administrator for the Commercial Insurance Division. With CSC since 1994, she will be assuring that the Commercial Department is compliant with procedures. She is a licensed Property & Casualty Agent and was nominated Employee of the Month.

## **Tell Others About Us And Win a Prize**

Referrals are the lifeblood of any business, and there's no better source than you, our clients. This issue, we honor:

**Jeff Groomes of Pittsburgh, PA ... Carla and Robert Templin of Belle Vernon, PA ... Sharon and Billy Taylor of Bentleyville, PA... and Cathy Jo Gump of Fredericktown, PA.**

These customers spread the word of our agency and brought us new clients. For these referrals, we present them with a \$25.00 American Express Gift Check. Thank you all! Next issue's referral business prize winners could be you. Just mention CSC Insurance Options to a friend, relative, colleague, whomever. Thank you in advance!

“Worry affects the circulation, the heart, the glands, the whole nervous system, and profoundly affects health.”

**Charles W. Mayo**

*“They laughed when we told them how much we saved on BOTH auto and home insurance, then we showed them the cash...”*

- Kendra & Jeff Weaver,  
Rostraver, PA

*“Wow! The service and attention I got from CSC during my recent claim is unbelievable!”*

- Ronald O. Burns, Charleroi,  
PA