



Summer 2007

Agency Times

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Thoughts From The Desk of Don...

Points of Interest In This Issue of Agency Times

- Thoughts from the Desk of Don
- Wildfire— How We Can Protect Our Property
- What is Auto “Gap” Coverage
- Renting a Car
- Welcome Back Progressive!
- And the Winner is...
- Really Yummy Summer Recipe

proud to be parents. Our children, most notably our son Sam, have given us a chance to meet and get to know some really outstanding young people in our community. I will miss the noise and mess created by these youth as they congregated at our home for saunas, swimming, and hanging out while watching sporting events. I am confident that Sam will do well as this new phase in his life unfolds and I am equally confident that his new friends will continue to mold him into someone that possess a bright future. It will be difficult not being such an integral part of his life and I will miss those special times. For those of you who are on the younger side of the age spectrum I will say this: time moves way to fast, so use it as best you can. I encourage you to enjoy every opportunity that you can with your family.

For those of you who had the opportunity to meet Ilari, our foreign exchange student, I am glad to tell you that he is returning for an extended visit this summer. Ilari will be with us from mid-June until early August. It was great to have him as an additional member of our household and we look forward to having him here again this summer. You may see him around the office as his family has asked us to find some work for him to do to help him earn the funds he needs for this trip. Since my son Sam has a full time job, Ilari may be the one doing some of the odd jobs at the office. If you visit the office I encourage you to say hello to anyone who might be unfamiliar to you—it will most likely be a family member or friend.

The summer season is also a precious commodity, especially in our area where the season seems short. As a staff we all want to enjoy the season as much as possible and thus we will have some days when we will have limited staff available. I am confident that we can meet your needs and continue to provide the level of service that you deserve. We are prepared for whatever you need. I am extremely proud of the dedication of the entire staff.

Have a great summer, be safe and keep us informed of any life changes that you might have, you never know when it might influence your insurance situation!!

Life changes; are we ready? Sounds like something that an insurance agent would say to sell you something doesn't it? Well my real intent is just to inform you that I have been through the “big” birthdays, 40 and 50 but I have not found them to be life altering. However, the upcoming change that will see my son moving to Concordia College in Moorhead, Minnesota scares me since he is such an integral part of our family. Over the past 18 years we as a family have been blessed with some really great family trips, activities and opportunities which have made us



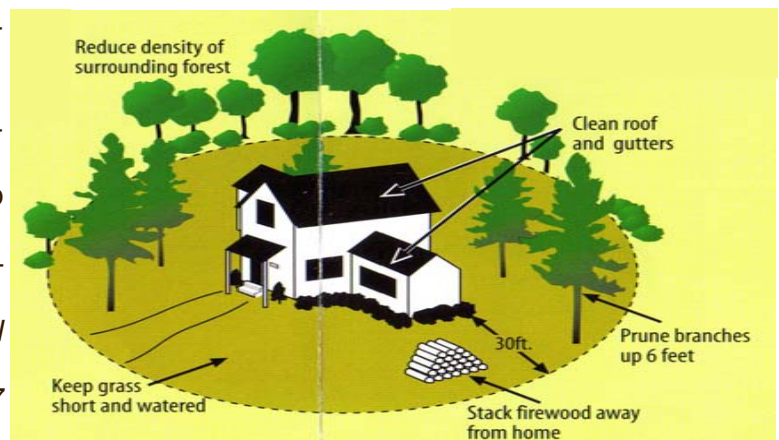
Marah, Sam, and Amy

Wildfire—How We Can Protect Our Property...

As residents of an area that provides amazing beauty with its forests and lakes we need to be aware of the hazards that are part of our everyday living. We should do everything we can to minimize those hazards. As we recently saw in the Gunflint Trail area of Grand Marais, wildfire is a risk that we face when we live in forested areas. The following are some simple actions that we can all take to help minimize the potential of a loss due to a wildfire:

- ◆ Move your firewood pile out of your home's defensible space.
- ◆ Clean your roof and gutters of leaves and pine needles (best done in October).
- ◆ Clear the view of your house number so it can be easily seen from the street.
- ◆ Put a hose (at least 100 ft. long) on a rack and attach it to an outside faucet.
- ◆ Trim all tree branches that overhang your house.
- ◆ Trim all tree branches from within 20 ft. of chimneys.
- ◆ Remove trees along the driveway to make it 12 ft. wide.
- ◆ Prune branches overhanging the driveway to have 14 ft. overhead clearance.
- ◆ Maintain a green lawn for 30 ft. around your home.
- ◆ Plan and discuss an escape plan with your family. Have a practice drill and include your pets.
- ◆ Get involved with a disaster plan that is held in your community.
- ◆ Check your fire extinguishers. Are they still charged? Are they easy to get to in an emergency? Does everyone in the family know where they are and how to use them?
- ◆ Clear deadwood and dense flammable vegetation from your home's defensible space.
- ◆ Remove conifer shrubs from your home's defensible space, especially if your home is in a high-risk area.
- ◆ Talk to your children about the hazards of playing with matches and the potential of starting a fire.
- ◆ Do not use a burn barrel for burning trash.
- ◆ If you have a fire ring or campfire area discontinue its use until the fire danger diminishes.
- ◆ Always have a shovel on hand and hook up the garden hose BEFORE you start a fire.
- ◆ Never burn if the smoke and flames are blowing towards your (or your neighbor's) home.

**Information courtesy of the Department of Natural Resources from the brochure, "Will Your Home Survive?" 1-888-646-6367 www.dnr.state.mn.us/firewise*



What is "Auto 'Gap' Coverage"??...

Gap coverage is becoming a popular option for your auto insurance policy. The word gap by definition indicates a hole or opening. For auto insurance, the hole or opening relates to a potential hole between what you owe for your vehicle, and the value you receive for it after a total loss accident occurs. The amount that you will typically receive for the damage that is done to your car in an accident is based on the vehicle's actual cash value (ACV) at the time of the loss. Another term for this is the book value; what it could sell for with its present age and condition. Even a new car has immediate depreciation so the amount that you receive, if it suffers a total loss, can be less than what you paid for it. The need for gap coverage has increased as the repayment period for loans gets longer and down payment amounts have decreased. A growing inventory of used cars with significantly depreciated values is also driving down the values of all used cars and increases the potential need for gap coverage. Gap coverage provides payment for the difference in what the client owes the bank and what the insurance company pays as the ACV of the auto. This coverage is not applicable to add-ons that are purchased with the loan. Add-ons might include extended warranties, credit life insurance or past due loan and lease payments. I strongly suggest that individuals who finance or lease new cars give this coverage serious consideration. The cost is about 7% of the semi-annual premium of the auto insurance policy.

Renting a Car...

Summer travel season brings with it rental car issues.



One of the most common questions that we get from our customers is whether rental car coverage is provided by their auto policy. This is a difficult question to answer. In the simplest form we would say yes. However, many variables can come into play that can cause concern for those who have an accident with a rental car especially if the rental agency coverage is not purchased. I'd like to highlight a couple of issues which actually come from an experience that I had with a rental car which was damaged without the rental agency coverage:

- The value of the loss may be something that is somewhat difficult to determine. I know this may sound strange as you and I would simply go to the body shop and get an estimate of the repair costs. With a rental car company they will also look at the fact that the value of the unit might be diminished due to the fact that it has been damaged and thus when they sell the vehicle they may get less for it. With this thought in mind they may want to negotiate a settlement which exceeds the repair cost.
- Settlement of the claim can be a problem since your personal auto policy typically wants to inspect a vehicle to determine the accuracy or validity of the loss amount. Rental car agencies may not allow for that, since they want the vehicle back on the road quickly, and thus the damage amount claimed may not reflect the amount that would be paid for a loss that is properly adjusted by insurance company personnel.
- Payment for the loss is something that the rental agency is going to want assurance of before you leave their area. Thus they will want written assurances of the repairs from your personal auto insurance company. Many of the rental agreements require immediate reimbursement for damages. It has become a customary practice for the rental company to charge your credit card for the repairs. This can be a significant cost and could easily max out your credit card.
- Loss of income for the rental car company will most likely be an added cost that you will incur. With the vehicle out of service due to the damage you created, you will most likely be charged for income that could have been generated if the vehicle had been available for rent.
- Expenses that normally are not an issue could surface with the rental car company. Storage for the vehicle while it awaits repairs, appraisals, claims, handling expenses, and other related expenses and services can be added by the rental car company to the cost of the loss.
- You may be able to avoid the payment of a deductible. Rental car company agreements may not have deductibles like those that you will find on your personal auto policy.
- If you have an accident with a rental car and you have your personal auto policy pay the loss the claim will show on your policy. In most cases this will cause an increase in your auto premiums. Claims against your auto policy have a 3 year experience rating, meaning the rates could increase for 3 full years.
- Rental cars typically are not the same body style as your personal auto. Thus you may have unfamiliar blind spots, a different vehicle size, and operating controls can be different. All of these items cause a greater likelihood of an accident.

If you have an accident with a rental car and you don't have the rental car company insurance, you may find that the time spent trying to satisfy the rental agency will be a burden to you. You may also incur some added costs that you wouldn't expect. Therefore, for your peace of mind we recommend that you utilize the insurance offered to you by the rental car company.

Thanks again to all of our clients for providing us the opportunity to work with so many fine individuals.

We are truly grateful for the trust you have placed in our agency and the staff that is here to serve you!

Welcome Back Progressive...



You may recall that we recently informed you that *Progressive* was changing its name to DRIVE. Well, now that we have our new sign that reflects the new name, we have been informed that *Progressive* has decided that the DRIVE brand is not working as they had planned. Therefore, the name will again be modified. Now it will return to the traditional blue color with the name *Progressive* and a subtitle of DRIVE insurance in green.

Allowing independent agents to again use the name *Progressive* shows that *Progressive* believes in the value that these agents bring to their company and the clients they serve. We are glad to again use the name *Progressive*, and we hope that the confusion brought on by the name changes doesn't impact your belief in the value that *Progressive* brings to the insurance marketplace.

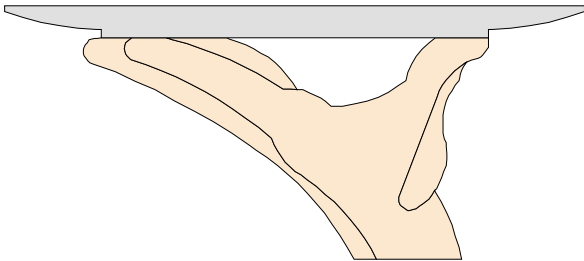
And the Winner Is...

We will continue to randomly insert five certificates which can be turned into our office for your choice of either a \$25 gift card from Forest Lake Restaurant or a promotional package which includes a pen, letter opener, desk set, baseball cap, and oven mitt. Our last issue had one winner out of the five that were selected. We'd like to congratulate Steve Buck! We will not mention the names of the four who didn't respond; it is our hope that they find the newsletter of value but just didn't get an opportunity to read the last issue.

Really Yummy Summer Recipe...

Crispy Chicken BLT Salad

- 4 small boneless skinless chicken breast halves (1 lb)
- 1 pouch SHAKE 'N BAKE Extra Crispy Seasoned Coating Mix
- 6 cups torn mixed red and green leaf lettuce
- 1 cup tomato wedges (about 1 medium tomato)
- 4 slices OSCAR MAYER Bacon, cooked and crumbled
- 1/4 cup KRAFT Ranch Dressing
- 1/2 cup KRAFT Natural Three Cheese Crumbles



PREHEAT oven to 400°F. Coat chicken with mix as directed on package; place in shallow baking pan.

BAKE 20 min. or until thoroughly cooked. Let stand 5 min.; cut into slices.

TOSS lettuce with tomatoes, bacon, and dressing. Spoon evenly onto four plates then sprinkle with cheese and top with chicken.

This recipe courtesy of kraftfoods.com

*The information in this newsletter is meant as a guideline only.
There is nothing in this newsletter that alters the coverage or interpretation of any specific insurance policy.
Because some statements are generalizations, and because different company's policies contain slight differences, please refer to your specific policy or call our office with your concerns.*