



Consumer Alert

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Holiday Mishaps:

Review Your Insurance Coverage to Make Sure You're Covered During the Holidays

Holiday season mishaps might be humorous in movies like National Lampoon's "Christmas Vacation". They are not so funny when they happen to you. So, before your family and friends gather to celebrate the season, take time to review potential mishaps and understand how your insurance might apply.

Auto Insurance

What if you and a family member are taking turns driving your car to a family gathering and you get into an accident while your relative is driving?

Auto insurance coverage follows the vehicle, so your car will generally be covered while your relative is driving, the same as if you were driving. For example, if your family member slides off the road due to a patch of ice, and you only have liability coverage, there would not be coverage for any damage to the car itself, no matter who was driving. In addition, keep in mind that your premiums might increase due to the accident.

What if you take someone else's car (with their permission) to the store because it was the last one in the driveway, and you accidentally back it into your neighbor's car parked across the street?

The existing auto insurance policy on the borrowed vehicle would provide primary coverage in the event of a claim. If no coverage exists, your auto insurance policy might provide coverage. Talk with your insurance agent or company to find out if your auto insurance coverage will extend to a friend or family member's car you plan on operating.

What if you decide to visit your extended family in Canada or Mexico? Will you have coverage for your vehicle there?

Auto insurance policies often do not provide coverage when the vehicle is driven outside of the United States. Check with your insurance agent or company to ensure that your auto insurance coverage will apply outside the United States. Most policies afford coverage while driving in Canada, but not in Mexico. Check with your insurance agent or company regarding coverage limitations.

What if you loan your car to a family member and they get pulled over for driving while intoxicated?

Your automobile coverage will not be affected if another driver is simply ticketed for a driving violation. However, if the person to whom you loaned the vehicle has an accident while intoxicated, the company might non-renew your policy or charge a higher premium.

Homeowners Insurance

What if someone breaks your car's window and steals gifts from the back seat while your car is parked at the mall?

Standard homeowners and renter's insurance policies provide coverage for this peril, subject to the policy deductible and coverage limits. Some automobile policies also provide coverage. If this happens to you, talk with your insurance agent or company to find out under which policy you should file your claim.

What happens if your coworker, a guest at your holiday party, slips and falls on your icy driveway?

Standard homeowners insurance policies provide limited medical payments coverage if your guest seeks medical attention. If the coworker sues you for additional damages, your standard homeowners insurance policy should provide liability coverage. Check with your insurance agent or company to be sure you have adequate liability limits.

What if an ice or snow storm causes a tree to fall through the front window of your house?

Standard homeowners insurance policies generally provide coverage for damage to the home — as well as the cost to remove the tree (generally up to \$1,000) — if the tree fell due to the weight of ice or snow, minus your deductible. Check your policy to find out what limit of coverage you have. However, your homeowners policy will not help you purchase a new tree.

What if your presents are stolen from under the Christmas tree in your living room?

Standard homeowners insurance policies provide coverage subject to the deductible and special sublimits for certain goods, such as electronics and jewelry. For example, if the wrapped package was a \$300 gift card to an electronics store, there might only be \$200 coverage; if the package contained \$2,000 worth of jewelry or furs, there might only be \$1,500 coverage; and if the package contained a silver-plated tea set, there might only be \$2,500 coverage. Standard condominium and renter's insurance policies provide similar coverage. Check your homeowners policy for specific sublimits.

What if someone steals the holiday decorations in your front yard?

Under a standard homeowners insurance policy, decorations are generally covered, subject to your policy deductible and coverage limits. These items would also generally be covered if you have a condominium or renter's insurance policy.

What if your holiday candles cause a house fire?

Under a standard homeowners insurance policy, your home and belongings will be covered if they are destroyed by a fire, subject to your deductible and policy limits. Standard policies typically provide additional living expenses if you are unable to live in your home due to damage from a fire or other disaster.

Credit Card Theft

What if you lose your credit card and someone uses it to buy a big screen television?

Credit card theft might be covered as part of your credit card contract. Standard homeowners insurance policies typically provide up to \$500 of coverage toward your legal obligation to pay your creditor. However, coverage is not provided if a family member, entrusted with the card, buys a big screen television. Federal law also limits a cardholder's responsibility as long as the issuer of the credit card is promptly notified in accordance with the terms and conditions of the cardholder agreement.

Health Insurance

What if the holiday eggnog is bad and you end up in an urgent care while you are out of state?

Most health insurance policies provide coverage for urgent care and emergency room visits while traveling, if they provide for such coverage at home. If you plan to travel, be sure to take your health insurance information for all family members — including your identification cards and contact details — with you. Co-payments associated with urgent care visits are typically lower than co-payments for emergency room visits. Prior to leaving town, it is also a good idea to check with your insurance company about in-network healthcare providers at your destination. If you receive medical care from an out-of-network provider, you might be subject to higher deductibles and/or co-payments.