



March 2023 | Volume 3 | Issue 3

# NEWSALERT

## Homeowner's Issues

# After Storms, Beware of 'Storm Chaser' Scammers

**A**FTER THEIR property suffers storm damage, homeowners need to be on the lookout for as dishonest contractors and fake charities swoop in.

In a scene that's becoming increasingly common after a catastrophe, unscrupulous "storm chasers" are targeting people whose homes and premises have been damaged after a calamity, such as the recent storms in California.

Unfortunately, bad actors target homeowners and small business operators when they are at their most vulnerable and you should be wary of anyone who shows up at your door or place of business immediately after a storm. If someone pitches up offering to step in and handle repairs and your insurance, you should not take them up on their offer.

After a storm, you should immediately call your insurance company to file your claim and allow them to arrange for repairs. Or if they ask you to find a contractor, you'll have to make sure to do your research and verify credentials before signing any contracts or agreeing to any services.

The worst you can do is to agree to repairs without first consulting your insurer, as these scammers will often try to get you to pay for some of the work up front and tell you they'll cover your insurance deductible. Don't believe them.

Most home insurance companies can suggest contractors who can get the job done. Using a referred contractor from your insurer can give you peace of mind, because they screen the contractor for you.

You are always free to get second opinions and negotiate with your adjuster. When you choose a contractor the insurance company selects, it can protect you. If you get your own contractor, you should look for some basic things to help decide whether they are reputable and can do the job (see box on left). ❖

### Avoiding the scam

- Steer clear of any contractor who asks for full payment upfront, only accepts payment in cash, or refuses to provide you with a written contract.
- Avoid door-to-door offers for home repair work. Instead, ask friends and neighbors for referrals.
- Be skeptical of any contractor that offers to pay your insurance deductible or offers other no-cost incentives, as these can be signs of a scam. Call your insurance company before agreeing to any storm-related repairs or inspections.
- Ask contractors for references and call each one.
- Check with the Better Business Bureau to see if there are any complaints against the contractor.
- In California, contractors, electricians, plumbers, and heating and air conditioning repair people must be licensed. Check their license.
- Legitimate contractors should be able to provide a business license; proof of general liability and workers' compensation insurance; written manufacturer warranties and written labor warranties.

Source: Texas Department of Insurance



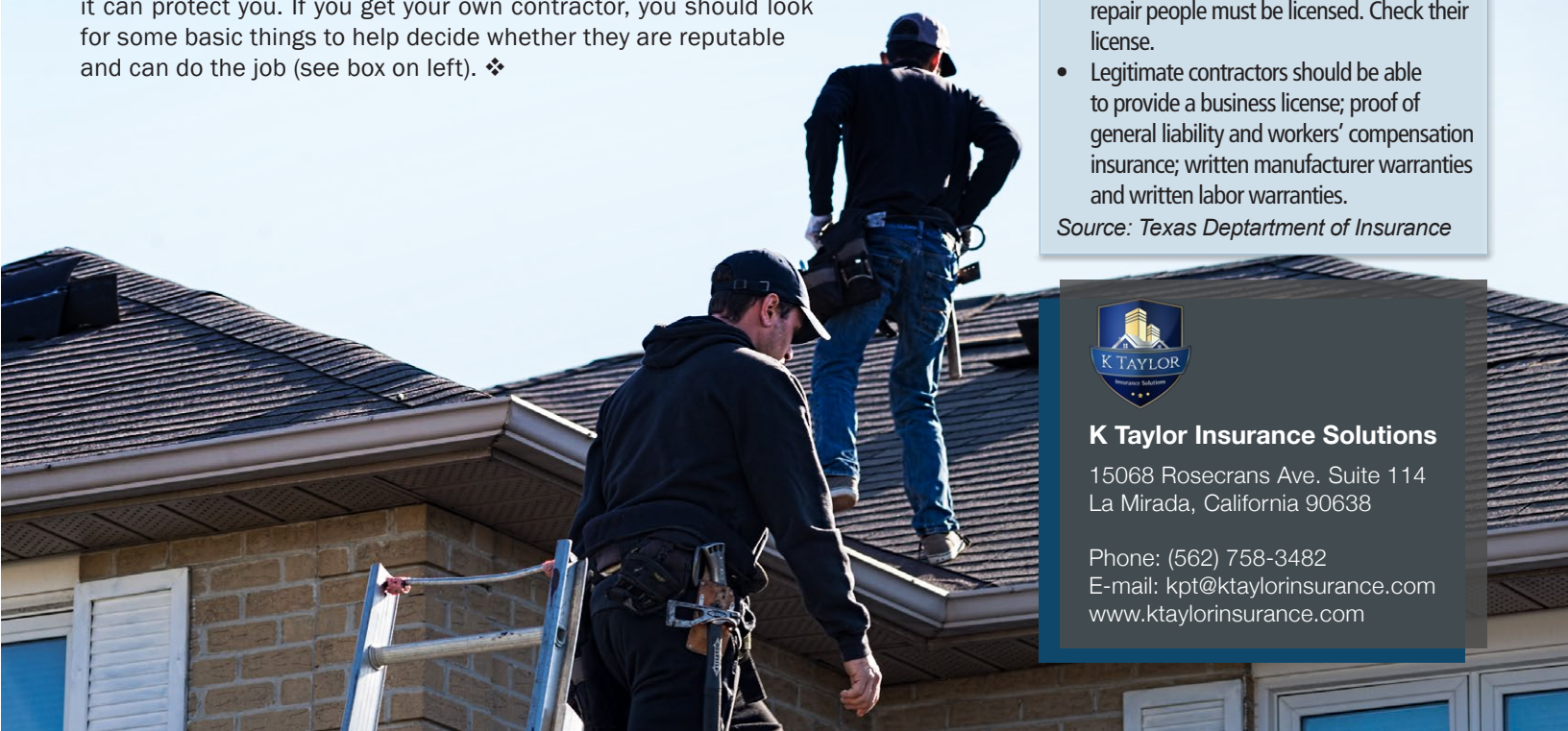
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# Rampant Kia, Hyundai Thefts Give Insurers Cold Feet

**S**OME INSURANCE companies have started refusing to cover certain Kia and Hyundai model years after viral videos on social media platform TikTok show how easy these vehicles are to steal, according to news reports.

The videos have spawned a surge in thefts of certain models of these South Korean car brand vehicles throughout the U.S., prompting some insurers to stop writing new policies and raising rates for them in many areas in the country.

In particular, the TikTok videos and the following surge in thefts concern Kia models made between 2011 and 2021 and that are started with a physical key, and Hyundai models made between 2015 and 2021.

The reason they are so easy to steal is the carmakers didn't design their vehicles with engine immobilizers, which prevent an engine from starting without using the car's authorized key. This problem applies only to cars that use metal keys and those fitted with a push-button start system.

In the TikTok videos — uploaded under the hashtag #KiaBoyz — thieves break plastic parts surrounding the ignition and use a flash drive or USB cord as a key.

Their videos have been followed by copycat videos of others stealing cars using the same technique. #KiaBoyz had more than 27 million views on TikTok as of February 2023.

Urban areas around the country have seen an explosion in thefts of these vehicles. For example, the number of Kia and Hyundai thefts in St. Louis increased to 3,958 in 2022, up 1,450% from the 273 vehicles stolen in the year prior, according to the St. Louis Post-Dispatch.

Other cities have seen similarly large jumps in thefts, including Milwaukee, Detroit, Philadelphia, Sacramento, Los Angeles, Chicago and Denver.

## Insurers' reaction

According to news reports in local newspapers and on CNN, a number of insurance companies — including State Farm, Geico and Progressive — said they had stopped writing new policies in certain areas, although they declined to specify where. Many insurers have also been raising rates for people who own these model year Kias and Hyundais.

One motorist interviewed by the St. Louis Post-Dispatch said that American Family Insurance had raised the annual auto insurance premium for his Kia by \$300.

When he started shopping around, he was turned down by two other carriers.

One piece of good news is that the thefts are concentrated on the aforementioned model years due to the lack of an engine immobilizer.

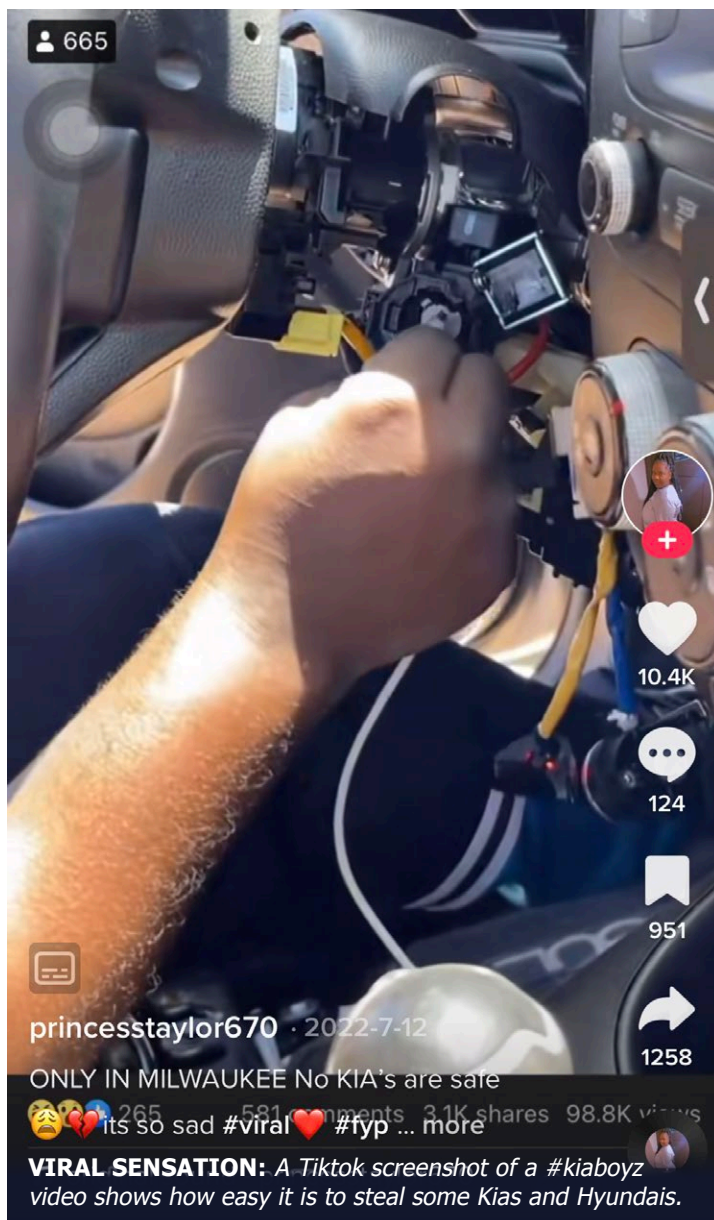
But starting November 2021, all Hyundai and Kia models have been fitted with engine immobilizers.

## What to do

If you own one of these vehicles, you have a few options to protect it from theft and perhaps keep a lid on your premiums.

Hyundai and Kia are part of the same group and have started selling security kits that can be installed at Hyundai dealerships and Compustar authorized installers. They cost from \$70 to \$120, depending on the year and make of the vehicle.

If you don't want to fork out that much cash, you can go low-tech with a steering-wheel lock like The Club. Another option is a kill switch, but if you are going to spend money to do that, the Hyundai/Kia security kit is probably the best option. ❖





# Watch out for Insurance Gaps if Renting on Airbnb

**M**ANY AMERICANS hope to cash in on Airbnb to supplement their income by renting out a room in their home or an entire house, apartment or condo.

If you are considering turning a property or part of your home or condo into an Airbnb space, you have to consider the insurance implications. Not understanding what your and Airbnb's insurance covers can result in an insurance claim not being paid if your property is damaged.

## What Airbnb provide

Airbnb has a type of insurance called AirCover, which includes the following coverage for its hosts:

- \$1 million in liability insurance if a guest is injured on your property.
- \$1 million in protection against damage caused by a guest
- Pet damage protection if a guest's pet damages your property
- Deep cleaning protection
- Income loss protection if you have to cancel confirmed bookings due to damage caused by a previous guest

**One caveat:** Airbnb rules state that prior to filing a claim you must try to reconcile the costs with the guest first.

## Homeowner's insurance implications

While Airbnb's policy will cover most damage caused by a guest, it will not provide coverage if your property is damaged when it is vacant, say from a fire or a natural disaster.

The biggest mistake people make is renting out a second home previously covered on a homeowner's insurance policy.

Homeowner's insurance policies specifically exclude "business activity" at a home, and if you rent it out predominantly on Airbnb, that qualifies as business activity.

If a covered peril occurs on the property and the insurer finds out you do not live there, it would likely reject your claim.

Even if you are renting out a single room regularly, you could run into problems if you have to file a claim.

You likely need a business policy for regular short-term rentals.

## Considerations

**Review Airbnb's policies and exclusions** – When signing up through a third-party site to offer a vacation rental, be sure to read the host liability insurance rules.

Even though Airbnb offers coverage up to \$1 million, you should read the fine print to learn what is not covered.

**You may need an endorsement** – If the insurer will not cover a home based on the frequency of renting, you can explore alternative options or an endorsement to your policy.

Your homeowner's insurance carrier may offer a "unit or residence rented to others" endorsement. This endorsement will cause your premium to increase, but will likely be cheaper than purchasing a new line of insurance altogether.

**Consider a landlord policy** – When a home is rented out frequently, it may be wise to purchase a separate landlord policy.

Landlord insurance covers your property from the same perils as your homeowner's policy does, along with extending liability to anyone staying at the property.

## The takeaway

Read Airbnb's policies carefully, as well as your insurance policy, if you are considering getting into the Airbnb game. It's a great way to earn some extra income, but you have to ensure you don't have any insurance gaps in case of an accident or a disaster. ❖





# Covering Your Jewelry Against Loss and Theft

**M**AYBE YOU received or gave your better half some nice jewelry during Valentine's Day, the day that is biggest for marriage proposals.

So, now that diamond engagement ring or pearl necklace is being sported, have you thought about how you will protect it?

The Insurance Information Institute recommends buying coverage for expensive jewelry shortly after purchasing it. After all, jewelry losses are among the most frequent content claims in homeowner's policies.

The institute recommends the following if you've just splurged on some bling or if you've just received a stunning set of diamond earrings.

## 1. Contact your agent promptly

Ask us if you will need additional insurance for your jewelry.

Typically, homeowner's and renter's insurance policies include coverage for personal items such as jewelry. But the policy limits on jewelry are usually between \$1,000 and \$2,000 – too low to cover the \$4,000 average cost of an engagement ring, for example.

And if you are like most people, you have more than one piece of expensive jewelry. Talk to us about buying an endorsement policy, which is sort of like a rider to your homeowner's or renter's policy.

The endorsements will even cover you if you lose your ring after it falls down a storm drain.

Most endorsements to policies usually have no deductibles, so if your ring is lost or stolen, you won't have any out-of-pocket expense.

## 2. Stow your receipt

Send a copy of the receipt for your jewelry to your insurer, so that they have a record of the current retail value of the item. Make a scanned copy of the receipt as well – and store it in a safe place.

## 3. Don't forget family heirlooms

If your mom gives you your great grandmother's wedding ring, you should go and have it appraised by a professional jeweler. If you don't know one, you can find additional information in the Jewelry Appraisers Guide at [www.jewelers.org](http://www.jewelers.org).

The appraisal should include the weight, grade and measurements of your item, as well as a picture of it. Again, keep a copy of the appraisal in a safe place.

## THE K TAYLOR INSURANCE SOLUTIONS "THANK YOU" REFERRAL PROGRAM

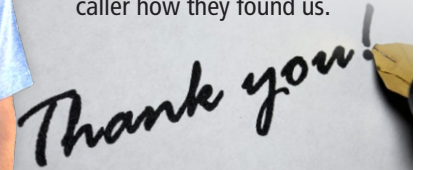
Your referrals mean the world to us. We work hard to earn each referral with great service and appreciation for your business every day. As a way of saying thank you to clients that refer friends and family, for each referral you will receive a \$20 Amazon gift card.



### What qualifies as a referral?

A referral is when we are contacted by phone, e-mail or social media for a quote and that friend or family member becomes a client of K Taylor Insurance Solutions.

Don't worry, we ask every caller how they found us.



## 4. Add item to your home inventory

Add your new jewelry to your home inventory list. If you have homeowner's or renter's insurance, you should have a home inventory.

Having your jewelry on your inventory list will make it much easier if you ever have to file a claim.

## 5. Buy a safe

A safe can be used for more than just storing your jewelry. You may have firearms, and other valuables that you don't want just to be tucked away in drawer.

Also, you can keep important personal documents like birth certificates and passports in the safe. ❖

