

3rd Quarter, 2008



**CONSUMER  
AWARENESS**

**ADVISOR**

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

*For Friends and  
Clients of PHD*

*Insurance Brokers  
Inc.*

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**Your identity is 25  
times more likely to  
be stolen than a ve-  
hicle break-in. For a  
free report on  
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The BOP (Business Owners Policy) combines building, personal property, and liability coverage and offers other attractive options. The two keys to BOP eligibility are **type of business** and **square footage**. An example of a business eligible for this coverage is an apartment building. Generally the cutoff for BOP eligibility is 25,000 square feet; however, this varies among insurance companies.

Business personal property coverage can include:

- An apartment owners' business personal property in an apartment building
- Personal property used in business
- Commercial condo unit owners business property

Standard insurance policies are a product of the Insurance Services Office, which develops and revises the insurance policy forms most insurance companies use. The Insurance Services Office has developed both a **Standard Peril** and **Special**

**Peril BOP form. The Standard** will have coverage for



things such as fire, lightning, windstorm and hail, sprinkler leakage, and vandalism. This usually costs less than the **Special Peril** form, which has coverage for all risks of direct physical damage, except as limited in the policy. This much broader coverage is worth the slightly higher cost.

The **Special** form has more coverages built in such as:

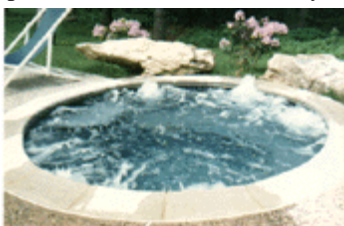
- Debris removal
- Counterfeit money orders and paper currency
- Increased cost of construction

- Forgery
  - Exterior glass and lettering (this includes replacement and repair of items on the outside of the building, commonly advertising-related materials)
  - Collapse and water damage
- Exclusions and conditions* are common in insurance policies. BOPs are no exception. You'll find exclusions and conditions from policy to policy, regardless of the type of insurance. Conditions are normally procedural matters and loss adjustments. Exclusions are those matters the insurance is not designed to cover.

Remember, an insurance policy must be read as a unit, not as independent paragraphs or sections. A "one policy fits all" attitude will not work for every person as our insurance needs are all different. Everyone has a different type of property, amount of property, location, ownership, and so on. Your prescription for insurance should closely reflect your loss potential. Tailor your policy to your needs to avoid paying more pre-

## Hot Tub Rash

An increasing number of "hot tub rash" cases are being reported as insurance claims by



people using this type of equipment. Although the rash is not a serious threat to health, it can be prevented or reduced by adhering to a regular sched-

ule of equipment cleaning and maintenance.

Hot tub rash is the common name for a skin inflammation caused by a bacteria which is present on the skin of about 15% of the general population. The infection may be spread by exposure to contaminated water in a hot tub or jacuzzi and their surrounding areas. People who use a hot tub or jacuzzi together, such as families or groups of friends, often become infected simultaneously.

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### OUR CLIENTS SAY IT BEST

"I read some comments about your company. They are very true even though I have just worked with you for 2 days. I have the same comments as a person who has worked with you 20 years. My impression about you is very good. Plus you may save me more than \$5000 year with just 2 policies. I have about 8 policies all together so you may save me a lot more than that."

Michelle N.

## CAR BREAK-DOWN SAFETY

If you are in an accident or your car breaks down, safety should be your first concern. Getting out of the car at a busy intersection or on a highway to change a tire or check damage from a fender bender is probably one of the worst things you can do. The following precautions are recommended:

- Never get out of the vehicle to make a repair or examine the damage on a busy highway. Get the vehicle to a safe place before getting out. If you've been involved in an accident, motion the other driver to pull up to a safe spot ahead.
- If you can't drive the vehicle, it may be safer to stay in the vehicle and wait for help or use a cell phone to summon help. Under most circumstances standing outside the vehicle in the flow of traffic is a bad idea.
- Carry flares or triangles to use to mark your location once you get to the side of the road. Marking your vehicle's location to give other drivers advance warning can be critical. Remember to put on your hazard lights! In the case of a blowout or a flat tire, move the vehicle to a safer place before attempting a repair – even if it means destroying the wheel getting there. The cost of a tire, rim or wheel is minor compared to your safety.

Long term prevention of infestation is the best means of ensuring a cockroach free environment. **Exclusion.**

1. Cockroaches migrate easily through multi-unit dwellings via plumbing and electrical connections. Sealing gaps around plumbing, wall outlets and switch plates will prevent migration between units.
2. Keep doors and windows closed and screened. Also,



caulk cracks and gaps that may allow invasion from outdoors.

3. Frequently entry is through dry drain traps. Periodically run the water in spare bathrooms, utility tubs and toilets to keep the drain trap filled and off limits to cockroaches.

4. Fiberglass window screen over vent pipes on the roof will prevent cockroaches from migrating up from sewer connections and gaining access to attics and windows.

5. Groceries, produce and other packaged food products may have been stored in infested locations before they were purchased. Make an effort to visibly scan all grocery items for cockroach evidence before putting them away.

**Sanitation: Elimination of Food and Moisture Resources**

## Pest Control

1. Indoor trash containers should be emptied frequently, kept clean both inside and out. Plastic bags lining trash containers can be kept closed with twist ties, thus preventing cockroaches from being attracted to the garbage area.

2. Filled indoor garbage containers should be removed from the dwelling immediately and placed in outdoor containers with tight fitting lids or dumpsters.

3. Keeping the area around dumpsters or other outdoor garbage storage areas clean and free of debris will also prevent infestations in the area.

4. Frequent emptying of sink strainers and running of the garbage disposal will prevent food build-up in sink drain.

5. Washing dishes immediately after a meal will prevent cockroaches from consuming food residue on dishes. Unwashed dishes are a major source of food for cockroaches.

6. Kitchen appliances (toasters, toaster ovens, microwaves, ovens, stoves, and refrigerators) should be kept clean and free of food particles and grease. Additionally, the areas underneath and behind these appliances should be kept grease and crumb free.

7. If pets are present, dry food should be kept in re-sealable containers. Do not leave food and water out all the time. All food products should be resealed after opening, stored in plastic snap-lid containers, or kept in the refrigerator.

8. Regular cleaning of food storage areas and shelves eliminate spilled food and also acts to disrupt cockroach populations.

9. Tighten loose pipes, patch plumbing leaks and replace

washers in the kitchen and bathroom areas.

10. Condensation under the refrigerator should be wiped dry and the pan for collecting water emptied frequently.

11. Eliminate places where water collects both indoors and outdoors (tires, cans, tree holes, etc.).

Controlling a cockroach infestation is not simply a matter of aesthetics. Large indoor cockroach populations are one of the leading causes of allergies, asthma and other bronchial disorders in humans. Cockroaches are also capable of carrying disease organisms and bacteria on their bodies.

## ARSON Everyone's Concern

Insurers are concerned that the subprime mortgage crisis will spur arson by homeowners who face foreclosure. Higher monthly mortgage payments when low introductory rates expire, falling home values, stricter lending practices that

investigative questionnaire, known as an anti-arson two-tier application, that may alert agents and underwriters to prior fire losses, tax liens against properties, fire-code violations and other indicators of danger ahead. It can signal to the in-



reduce the possibility of restructuring a loan or refinancing and the resulting increase in the national foreclosure rate may lead to a spike in homeowner arson.

Arson, the act of deliberately setting fire to a building, car or other property for fraudulent or malicious purposes, is a crime in all states. Great strides have been made in fighting arson over the past two decades as more firefighters and police officers have been given basic training in arson detection. Insurers have set up a computerized database of property claims to help identify suspicious fires, and insurance companies have special units to investigate suspected arson. State laws now allow a free exchange of information between insurers and law enforcement agencies, eliminating the threat of civil suits for libel or violation of privacy.

Insurers can now ask prospective insureds to fill out an in-

vestigative questionnaire, known as an anti-arson two-tier application, that may alert agents and underwriters to prior fire losses, tax liens against properties, fire-code violations and other indicators of danger ahead. It can signal to the insured that the company is aware of these problems; that knowledge, in turn, may deter an arsonist. By having a policyholder's signature on an application, the insurer then has grounds to deny a claim if false statements are made at the time of the application.

In the wake of the wildfires that ravaged Southern California in the fall of 2007, some of which were thought to be caused by arson, the Managing Arson Through Criminal History (MATCH) Act was passed in the United States Senate which would require jurisdictions to establish and maintain arsonist registries and make these registries available on the Internet. Convicted arsonists would be required to register where they reside, are employed, or are students. Insurers have an interest in preventing and detecting arson because such fires cause needless loss of life and property as well as push up the cost of insurance for homeowners, vehicle owners and owners of commercial build-

## Cont. Hot Tub Rash

The warm, moist conditions in and around these areas are ideal for the growth and spread of the bacteria, which feeds on organic materials present such as body oils, cosmetics, perspirations, etc. The rash is characterized by red, itchy bumps resembling insect bites, usually developing anytime from six hours of bathing to a week later. It typically appears on the arms, legs and trunk; may be more severe under a swimsuit where fabric holds contaminated water against the skin. Showering or bathing has not been shown to prevent, delay or lessen infection. Most cases resolve within one to two weeks, but some may require a course of antibiotics.

When sufficient disinfectant levels are not maintained or if the enclosure and its equipment are not kept clean, the bacteria will quickly establish colonies in the water, on surfaces, ladder and covers, in the filters and even within the plumbing. Once established, the bacteria colonies generate a biofilm, a slimy layer that protects them from the disinfectant and from removal efforts. By simply keeping the tub or jacuzzi very clean and continu-

ously disinfected as well as having an established procedure for maintenance, inspection, and monitoring, these public areas will be kept free of the risk of contamination. A schedule should be established for testing the water temperature, pH level and disinfectant concentration, depending on use. Operators should keep records of all tests and measurements. All equipment requires regular testing to ensure that it is in proper working order. The water should be clear and sparkling and smell only of disinfectant. If covered, that should not have unpleasant odors, slime, mold, mildew or discoloration on it.

If contamination is detected, people should then be prevented from using the facilities while measures are immediately taken to eradicate the infection. To prevent recontamination, the operator should sanitize the shower, floors, drains, plumbing fixtures, chairs, door handles and other nearby surfaces. Hot tubs and jacuzzis must always be kept very clean and their usage regulated by firm established policies to guard against such occurrence.

### Protect Against Costly Tenant Discrimination Law Suits

#### Tenant Discrimination

In 2006, there were **27,706** complaints of housing discrimination to the National Fair Housing Alliance. According to the U.S. Housing & Urban Development department, 76% of all complaints by the National Fair Housing Alliance in 2001 were associated with rental discrimination.

For more information please Call 800-640-4743 or Email: [atodd@phdinsurancebrokers.com](mailto:atodd@phdinsurancebrokers.com)

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**Congratulations** to **Petra Hermosillo** for being our March 2008, \$50 Gas Card Winner.

**Petra** has now qualified for a chance to win our quarterly \$150 Gas Card drawing as well as our 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.caapartmentinsurance.com/clientrefer1.htm](http://www.caapartmentinsurance.com/clientrefer1.htm)**

Joint Venture AD Or Webinars schedule