

4th Quarter, 2009



**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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Foe?**

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times more likely to
be stolen than a ve-
hicle break-in. For a
free report on
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**The
Wise
Professor**

It's not un-
common to
see some
company or
agency talk-

ing about "cheap insurance." Then you, the apartment owner, buy into it to cut expenses, When the loss occurs, you end up paying dearly for the "cheap insurance," poor coverage and cheap claim payments.

At PHD Insurance Brokers we have inexpensive insurance and you may want to know the difference. Semantics only? No, it's not just semantics. It's about prices and coverage. It's about an agent or company that makes recommendations to help improve your property and thus cut down on your loss potential.

New Precedent Could Affect Residential Non-Smoking Laws

Serendipitous legal circumstances may have contributed to the establishment of a new legal precedent in one northern California town located east of the San Francisco Bay; citizens of Dublin, CA may now be eligible to file temporary restraining orders to escape secondhand smoke.

From an article in the Contra Costa Times, we learned that an Alameda County Court judge granted a temporary restraining order to a couple who complained that their downstairs neighbor had violated a town nuisance ordinance by smoking near their residence.

The ordinance, passed two

Cheap Insurance

Those owners who see the benefit and follow the recommendation are rewarded by lower premiums and fewer



losses.

Recently we had a client who had a \$150,000 plus fire loss. This client had a great experience in the claims handling and recognized the value in completing the recommendations by the insurance carrier. Albeit he got the last recommendation done just two days prior to his

renewal date. Because of his involvement in his claim, he just hadn't gotten around to making sure all the recommendations had been done. Therefore, it was necessary for us to get several prices based on his loss and his failure to complete the recommendations. Here is what he found out will happen when a claim and failure to complete recommendations will do to his costs.

Two different insurance companies gave us prices between \$35,000 and \$40,000. Both still wanted him to complete the recommendations but were willing to give him more time. Those prices did not include his Umbrella Liability policy. The current carrier would not renew, based on his loss and failure to do the recommendations.

After a discussion with our client, he was able to get a contractor to get the last item done just two days before his policy renewed. The cost then when down to approximately \$25,000. Did he get "cheap insurance" or "inexpensive insurance?" In his mind this is inexpensive insurance as the claim was settled to his extreme satisfaction and the cost of the repairs was less than \$500.00.

PHD's experience has helped many clients get the best prices without getting cheap insurance. Our expertise in apartment insurance has benefited many of our clients like the one above, and we would be pleased to review your situation as we enter 2009 to see if we can get you "inexpensive insurance."

Continue Pg 3

Lee

ATTENTION APARTMENT OWNERS

Who else wants to SAVE up to 37% on their insurance for buildings built before 1960?

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Lee Hendrie President

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Tenant Screening Services Friend or Foe?

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Landlords speak well of rental screen. Tim Burr, information manager for Yarmouth Properties in Washington, DC, believes that it's essential for communities to uphold their reputation.

"We're pretty tough when it comes to **credit** ... I don't see a lot of downsides to it, except when you take time to interview references for rental candidates, and they've moved on to other properties."

Julia Thompson's company, References-Etc.com, was founded when her father had been fired by his own company and didn't find out until later that his supervisor had given him bad references. Although rental screening is not as large a factor in her company's output as employment

or reference verification, she estimates that "four or five companies a month" call her looking for data on potential **renters**.

Leasing agencies and landlords insist that rental screening is



essential to ensure that they get the best tenants -- i.e., those who will pay rent on time, won't cause problems, and aren't hiding things like a

criminal record or sporadic employment.

In the words of Larry Lick's commentary for Rental **Housing** On-Line, "Few other business people can appreciate the anger and despair of a landlord who discovers his **investment** abandoned, infested ... practically destroyed, with no hope of recovering a dime of the **money** owed, not even if it is the result of bad checks drawn on nonexistent accounts. His **income**

has been instantly cut by hundreds of dollars a month." Thompson emphasized the dangers of identity theft without proper rental screening. "A person's Social Security number is out there so much ... anyone can steal it."

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Recreational Water Illnesses

What are recreational water illnesses (RWIs)?

RWIs are illnesses that are spread by swallowing, breathing, or having contact with con-



taminated water from swimming pools, spas, lakes, rivers, or oceans. Recreational water illnesses can cause a wide variety of symptoms, including gastrointestinal, skin, ear, respiratory, eye, neurologic and wound infections. The most commonly reported RWI is diarrhea. Diarrheal illnesses can be caused by germs such as [Crypto](#), short for *Cryptosporidium*, *Giardia*, *Shigella*, [norovirus](#) and *E. coli* O157:H7.

Where are RWI's Found?

Pools

If someone swallows water that has been contaminated with feces, he/she may become sick. Many of these diarrhea-causing germs do not have to be swallowed in large amounts to cause illness. Remember that standing water is not necessary for RWIs to spread so even spray decks can become contaminated (the water is just in a collection tank underground) and spread illness. To ensure that most germs are killed, [chlorine](#) or other disinfectant levels and pH should be checked regularly as part of good [pool operation](#).

Hot Tubs

Skin infections like "[hot tub rash](#)" are the most common RWIs spread through hot tubs and spas. [Chlorine](#) and other

disinfectant levels evaporate more quickly because of the higher temperature of the water in the tubs. [Respiratory illnesses](#) are also associated with hot tub use if the hot tub is not well maintained. Because of this it is important to check [disinfectant](#) levels even more regularly than in swimming pools. "Hot tub rash" can also be spread in pools and at the lake or beach.

Prevention of RWIs

Protecting swimmers and their families from RWIs is the reason that pool staff regularly check both chlorine and pH levels. Chlorine and pH, your disinfection team, are the first defense against germs that can make swimmers sick.

What does chlorine do?

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(Cont.) RWIs

Chlorine kills germs in pools-- but it takes time to work. Therefore, it's important to make sure chlorine levels are always at the levels recommended by the health department (usually between 1.0 - 3.0 ppm). Why does chlorine need to be tested regularly?

All sorts of things can reduce chlorine levels in pool water. Some examples are sunlight, dirt, debris, and material from swimmer's bodies. That's why chlorine levels must be routinely measured. However, the time it takes for chlorine to work is also affected by the other member of the disinfection team, pH. Why is pH important?

Two reasons. First, the germ-killing power of chlorine varies with pH level. As pH goes up, the ability of chlorine to kill germs goes down. Second, a swimmer's body has a pH between 7.2 and 7.8, so if the pool water isn't kept in this range then swimmers will start to feel

irritation of their eyes and skin. Keeping the pH in this range will balance chlorine's germ-killing power while minimizing skin and eye irritation. What else can be done to promote Healthy Swimming?

The best way to kill germs is by routinely measuring and adjusting both chlorine and pH levels. Since a few germs can survive for long periods in even the best maintained pools, it is also important that swimmers become aware of Healthy Swimming behaviors (don't swim when ill with diarrhea, don't swallow pool water, take frequent bathroom breaks, and practice good hygiene). Combining Healthy Swimming behaviors with good chlorine and pH control will reduce the spread of RWIs.

(Cont.)New Precedent Could Affect Residential Non-Smoking Laws

If the neighbor violates the terms of the temporary restraining order, the couple can call the police to have the offender arrested.

This is quite an important development as far as smoke free apartments laws go. We have touched upon political intervention on behalf of smoke free apartments before, when State Senator Alex Padilla introduced California Senate Bill 1598, which would allow landlords the right to prohibit smoking. The last action on that bill, according to the California Senate's online legislative resource, occurred June 24th when the author, Mr. Padilla, canceled the first Senate hearing on the bill, after it

had passed in the California State Assembly. Perhaps Mr. Padilla recognized that landlords already have that right and have no problem exercising it. In fact, we have related how in some cases, apartment management companies have found it advantageous to offer smoke free apartments.

What do you think? Where should the boundary between the right for someone to participate in legal activity in their own home and the rights of others to live healthy lives be drawn? As soon as secondhand smoke is detected by someone who does not want to be exposed to it, should the smoker be forced to stop?

PHD also offers a full line personal insurance products.

(Cont.)Tenant Screening Services Friend or Foe?

Many agencies still prefer to conduct rental investigations personally. Burr's company performs individual screenings -- the representatives get on the phone and check a potential renter's job history, **credit history**, and rental references.

Thompson also prefers to have her organization "do it ourselves" - we call the supervisor, the ex-landlord, the works."

Both individuals emphasized the importance of having people physically call a renter's references, employers, and so on, as it reduced the chance of error and reliance on automated system screenings. Burr, however, expressed the prevailing sentiment in the rental industry when he

expressed his company's interest in going "fully automated". The majority of renting and leasing agencies have transitioned to automated rental screening systems, powered by software applications specifically designed for the industry. FAR's system, for example, is based on an intelligent data application developed by Synergy Information Systems and powered by several different Microsoft products.

The actual process of gauging an application is called "rental scoring", and is the key factor in choosing whether or not a potential applicant will be approved for a lease.

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**Cris M., H. T. Management
Santa Ana, CA**

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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: info@phdinsurancebrokers.com