

When Insurance Is Not Required But Necessary

Your Insurance with Cathy Karas.

Insurance is required by lenders for home, property, car, boat and other tangible items in the event they are involved in an incident where there is a total loss or damage to protect the lender's interest. Leasing companies, landlords, Departments of Motor Vehicles, Marinas, equipment and car rental agencies require liability insurance in the event you cause bodily injury and/or property damage and they are drawn into a law suit. But what about those situations where insurance is not required, but there is a great exposure for an out of pocket expense or law suit that could wipe out your assets that you may not have thought of? It is not possible to insure every mishap, but let's look at some common situations that could affect you and how insurance can minimize your exposure. Let's look at some of these situations as they may relate to your leisure activities and what you can do to protect yourself from financial loss, law suits and loss of your free time activities.

BOATS & PERSONAL WATERCRAFT - In New York, the Department of Motor Vehicles does not follow registrations to see that you have insurance, as they do with cars, trucks and vans. The marina or boat club where you keep your boat may require you to have liability insurance in the event you or your boat causes



bodily injury or property damage. If you keep your boat at your residence or even at a location where you are not required to have insurance, you are taking a big

risk without it. Not only can you suffer the out of pocket consequence of having to pay to repair or replace your vessel, but you could face a law suit by other boat owners in individuals that have suffered injuries on board, in another boat, on land, or in the water or damage to another boat, dock or structure. A recent fire at a nearby marina in Verplanck, NY started in the middle of the night apparently on a boat which ultimately damaged other boats. The cause is under investigation, but you can see what can happen. Also, you if participate in tubing or waterskiing activities, be sure your policy provides coverage for injuries to those you are pulling behind your boat. Often this is an exclusion of coverage and you "can buy it back" with an endorsement, or if it is unavailable it may mean having to change insurance companies.



MOTORCYCLES - As with boats, in New York the Department of Motor Vehicles does not keep track of insurance. However, if you are stopped by police or involved in an accident, your operation without insurance can mean a fine and then a law suit from someone who has suffered bodily injury or damage to their vehicle.

GOLF CARTS - A New York homeowners policy will usually include the liability insurance for the use of the cart, provided you are not on public roads. I have seen these carts being used as modes of transportation to go to and from stores, parties at friend's homes and even as "recreational vehicles" with young children operating them. There are insurance companies that will



include the liability insurance for public road use and also include the collision and comprehensive coverage, so check with your own company to see what coverage you may have or are missing.

CAR RENTAL - check with your insurance company to see if your policy extends liability and physical damage. In New York this coverage is usually automatic for renting in the US, but I would still recommend buying the collision damage coverage. Returning a damaged car to the car rental agency would be problematic, time consuming and also since they won't "wait" to be paid by your insurance company would most likely charge you credit card a large amount until this is settled. The claims process also could be aggravating if there was not an agreement about the amount your auto insurance company would offer to pay and what the



rental company may accept. The rental car agency would be requesting the amount to fix or replace the damaged car and the loss of use they would have been able to collect for renting the car that you have damaged.

HOTELS, CRUISES, VACATION HOUSE RENTAL - If you have homeowners insurance, in New York, your policy should "follow you" providing liability insurance. But what about your personal property? Subject to your deductible, you should also have coverage for fire, water damage and some other perils, but what about

theft? You may have an exclusion in your policy for off premises theft, but may be able to add the coverage on with an additional premium by endorsement. Higher valued items such as jewelry, camera equipment, laptops, golf clubs, and musical instruments can usually be itemized and covered for theft and other perils on and off premises often with no deductible, for an additional premium.

RENTING YOUR OWN HOME - Air BNB is becoming popular as homeowners realize the income they can make renting out their own homes on a temporary basis. Before doing this, check with your insurance company since any loss during this occupancy may be excluded and damage to your home or bodily injury or property damage caused by the "tenant" may be excluded. In New York a homeowners insurance policy requires the occupant to be the owner. At Karas Insurance Agency we represent companies that offer an endorsement to cover this temporary rental situation and for an additional premium, you can add it to your homeowners policy.

YOUR PETS - If you have a homeowners policy in New York on a typical form, you most likely have liability insurance if your pet bit or scratched someone causing injury. There are some policy contracts that have an exclusion for this, so check with your company or agent to be sure this coverage is in place for you. Even if you don't own a home, a renters personal property policy usually automatically has this coverage, unless there is an exclusion. Beware there are some breeds that some insurance companies find unacceptable such as Pit Bulls, German Shepherds, Rottweilers, Dalmatians and some other breeds and will not issue a policy if your dog is one of the breeds (or any mix that includes one).



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Hoping you are all enjoying your summer and will give some thought to covering your possibility for a loss during your "fun" time. Not only can a "gap" of insurance mean financial loss, but also create anxiety of having caused injuries or property damage to others and facing a law suit with out of pocket legal costs. At Karas Insurance Agencies Inc., we are a 3rd generation, independent insurance agency representing many companies to serve you for over 40 years. All of our employees are licensed in New York with many years of experience are here to provide quotes and answer any questions about your insurance needs.

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