

PRICE SHOPPING FOR A SERVICE?

Price wars are on at all the super markets, retail stores, outlets, auto dealerships and websites selling all kinds tangible items. Everyone is trying to beat each other's price. The price match guarantee seems to be becoming the norm from mattresses to electronics, appliances and more. As a savvy shopper, I hope that for your big purchases, you are doing your research to determine what fits your needs and budget and go with the best quality you can afford. Purchasing a low quality item that is likely to break down or suffer earlier than normal wear and tear, will only mean costly repairs or replacement in the near future. Once you have decided on the specific manufacturer and model, unless there is a warranty, cash back or some other incentive, going with where the price is lowest is usually the best option. Smaller purchases, such as grocery items, cleaning and paper products you can shop for just by price alone, if you want only a particular brand. When you find it, stock up and hopefully you have coupons. Even the department stores have coupons now, so look into this before making a purchase. But what about saving money on services you need? My point here is that little consideration is given to where the tangible item is purchased from since there is usually no "service" associated with the purchase, other than the store or online experience of the single purchase. Do you price shop for doctors, attorneys, accountants, real estate brokers, financial planners and insurance brokers or insurance companies? I hope not, since relationships with these types of professionals are ongoing relationships and not tangible items. Different consideration should be given when "purchasing" a service. These people should be well trained, experienced and successful at what they do. Getting recommendations from others you know and trust is always a good idea before making a choice of what service person to go to. You may want to consider how available this person is when needed, what organizations they might belong to (trade, civic, volunteer) and are they the type of person that would present options to you, rather than making a decision for you. Are you receiving adequate explanation of services or treatments provided?



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Can you imagine how a conversation would go if your lead question to a doctor regarding medical questions were "How much will you charge for the service or surgery?, How many visits will I have to commit to? or When will I get better?". Or to an attorney, "When will my case be settled? How many hours will I be charged for?" I think, since not only would you be starting off on the wrong foot asking questions such as these, but their opinions of you may be less than positive if they think the most important factor to you is cost. But what about insurance?

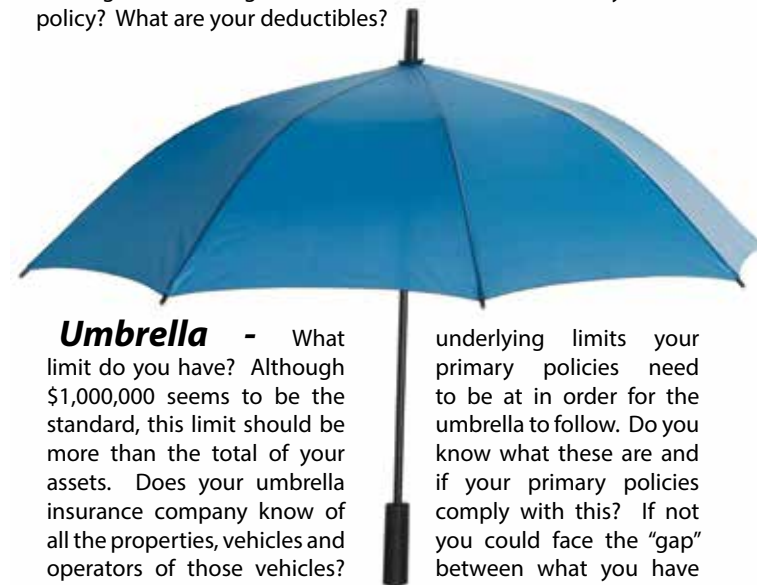
TV and radio commercials for insurance were almost nonexistent 34 years ago when I started in this business. Now you almost can't watch a single program on TV without seeing several. Most are cost driven, but some actually are about coverage. Not always accurate, but they are usually attention getting. We all like to save money, but at what cost? For most, your home is your most valuable asset. You work hard, save money and maybe have purchased a special motorcycle, boat or car or SUV you were longing for. How will your insurance coverage for these valuable possessions respond if you suffer a loss? Let's see if you can answer these basic questions about your own home, auto and umbrella policies:



Home - Are you covered for water wind/hurricane damage? Melting snow or ice seeping through your roof? Is your policy on a replacement cost basis, or an actual cash value basis (with depreciation for age taken into consideration and deducted from a claim). What is the limit for jewelry theft on your policy and does coverage apply off your residence address? Do you have liability insurance for injuries that may be sustained on your premises? Is your limit \$100,000, \$300,000, \$500,000 or higher? If your personal property is damaged or stolen, will your policy pay for a replacement item at today's cost, or will there be depreciation for age of the item? Are you running a business from your home where there might be an exclusion for any type of loss if this business was discovered by the insurance company?



Auto - What are your bodily injury and property damage liability limits? Do you have more than the NY State mandated \$50,000 of injury coverage (personal injury protection aka PIP) per person as your limit or do you have a higher amount? Do you have underinsured/uninsured motorist liability insurance and what limit? Do you have collision and comprehensive coverages with full glass insurance for all the cars on your policy? What are your deductibles?



Umbrella - What limit do you have? Although \$1,000,000 seems to be the standard, this limit should be more than the total of your assets. Does your umbrella insurance company know of all the properties, vehicles and operators of those vehicles? Part of the rate is dependent on this. There are very specific

underlying limits your primary policies need to be at in order for the umbrella to follow. Do you know what these are and if your primary policies comply with this? If not you could face the "gap" between what you have and what is required to be an out of pocket expense!

If you can't answer these questions, then maybe it is time to call you company, broker and/or get some coverage and price comparisons. Shopping for insurance and looking for a better price may be a good idea if even to discover what you have already is the best you can do. In getting a second opinion, you may also find out in the process there might be some important coverage you either want or thought you already had, that was omitted that should be added. Changing companies frequently can also mean a higher rate as many companies now give a "discount" if you have been with your prior insurer for several years. But the most important aspect of insurance is not cost, but coverage. After all, you are purchasing a contract where the insurer agrees to pay, if you meet the conditions required, up to the limits purchased according to the type of policy you purchased. "Cheaping" out in this area, is only going to hurt you in the end when there is a claim and you find out for a little extra you could have had better coverage or worse, you have an uncovered claim. The point of this month's article is "buyer beware", if an insurance quote seems very cheap, the coverage might not be adequate. This is not a product to purchase yourself online, unless you are a licensed insurance professional of course. Just as you wouldn't diagnose your own illness and follow treatment or surgery according to symptoms of your malady you read about on a medical website, the same holds true for purchasing insurance. Trusting your most prized and important assets to someone you trust, who is available for questions, help with a claim, advice, or making changes to your policy is key to having the best insurance you can afford or choose to have. In the end the choice of company and price is yours, but having the options presented to you by a trusted professional can help you make an educated decision.

At Karas Insurance Agencies, Inc. we have been in Croton-on-Hudson since 1973 as a family-owned business. All employees have a minimum of 25 years experience and their New York State Property and Casualty Insurance Broker's Licenses. We are available Monday - Friday by phone 914-271-5188 or email at cathykaras@karasinsurance.com for quotes for all types of insurance or questions.

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