



Construction Costs Have Gone Up

Will Your Home or Office Be Insured to Value?

Construction costs are escalating due to natural disasters like Hurricane Katrina and Rita. They are also rising faster than the general rate of inflation because of a strong demand for building materials. Ken Simonson, chief economist of the Associated General Contractors of America estimates construction costs will jump 10% through 2006.



The increased costs of construction will more than likely impact the marketplace and property-related pricing in 2006 and beyond. For this reason, it is vital that your commercial and personal property is adequately insured.

A property adequately insured today could be 20% underinsured in just 2 years. And, replacement cost coverage commonly triggers a co-insurance penalty when the insurance-to-value ratio falls below 80%.

Maintaining adequate property insurance requires vigilance and regular review by policyholders and agents alike. To assist with your insurance-to-value analysis, Stonebraker McQuary Insurance recommends a review of property values and insurance

adequacy be accomplished routinely and systematically. As always, your team at Stonebraker McQuary is here to help you. Call us today to review your policy.



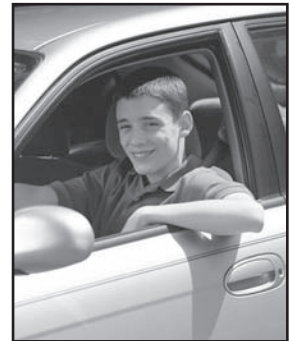
Preparing Your Teenager for the Responsibility of Driving

According to the Insurance Institute for Highway Safety, teen drivers have the highest crash risk of any age group. What can you as parents do to help prepare your teenager?

1. **Restrict passengers.** Passengers often distract the driver. Almost two of every three passenger deaths occur in a crash with a teen driver.
2. **Supervise.** Take an active role in helping your teenager learn how to drive.
3. Require **safety belt** use.
4. **Prohibit drinking** and driving
5. **Choose right vehicle** for safety not image.
6. **Allow other vehicles to pass** and make room ahead of your vehicle
7. Plan your trips with enough time so you **don't feel rushed**
8. **Don't drive** when you are **angry, upset, or overly tired**
9. **Be cautious, aware, and responsible**

Teenagers & Summer Driving

- Teen drivers average 44% more hours behind the wheel each week during summer as opposed to during the school year.
- 23% of teen drivers are more likely to drive with three or more teens in the car in the summer compared to 6% who are more likely to do so during the school year.
- 72% of all teens report they stay out later during the summer than the school year.



In this Issue

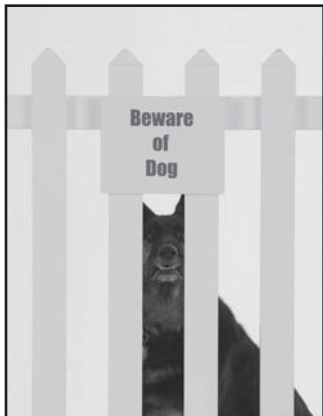
- | | |
|---------------------------------------|--|
| 2 Dog Bite Liability | 3 Summer is Here...Is Your Boat Properly Insured |
| 2 Health Insurance Costs Killing You? | 3 Trusted Choice- Our Pledge to You |
| 2 Understanding Identity Theft | 4 Employee focus |

Insuring with Stonebraker McQuary **saved me over 40%** on my auto insurance."

—Mike Powers, Orofino, ID

Dog Bite **Liability**

4.7 million people are bitten by dogs annually



In 2005 dog bites cost insurers \$317.2 million, little changed from \$321.6 million in 2003 but down 8 percent from \$345.5 million in 2002. While the number of claims paid by insurers fell from approximately 20,800 in 2002 to 15,000 in 2005 -- a decrease of 28 percent -- the cost of the average dog bite claim rose sharply, from roughly \$16,600 in 2002 to \$21,200 in 2005.

Liability claims account for approximately 4 percent of homeowner's claims. Dog bite claims in 2005 accounted for about 15 percent of liability claims dollars paid under homeowners insurance policies.

According to the Centers for Disease Control and Prevention, more than 4.7 million people are bitten by dogs annually, resulting in an estimated 800,000 injuries that require medical attention. With over 50 percent of the bites occurring on the dog owner's property, the issue is a major source of concern for insurers.

Over the years, many states have passed laws with stiff penalties for owners of dogs that cause serious injuries or deaths. In about one-third of states, owners are "strictly liable" for their dogs' behavior, while in the rest of the country they are liable only if they knew or should have known their dogs had a propensity to bite (known as the "one free bite" principle).

Insurers are Limiting their Exposure: Homeowners and Renters insurance policies typically cover dog bite liability. Most policies provide \$100,000 to \$300,000 in liability coverage. If the claim exceeds the limit, the dog owner is responsible for all damages above that amount, including legal expenses. Most insurance companies insure homeowners with dogs, however, once a dog has bitten someone, it poses an increased risk. In that instance, the insurance company may suggest that the homeowner find the dog a new home, or may charge a higher premium, nonrenew the homeowner's insurance policy, or exclude the dog from coverage.

Many insurers are taking steps to limit their exposure to such losses. Some companies require dog owners to sign liability waivers for dog bites, while others charge more for owners of biting breeds such as pit bulls and Rottweilers, and others are not offering insurance to dog owners at all. Some will cover a pet if the owner takes the dog to classes aimed at modifying its behavior or if the dog is restrained with a muzzle, chain or cage. It is unlikely that insurers will begin offering specialty insurance policies just for dog bites since the cost of such policies would be prohibitive.

UNDERSTANDING **IDENTITY THEFT**

According to the Federal Trade Commission: Identity theft occurs when someone uses your personal information such as your name, social security number, credit card number or other identifying information, without your permission to commit fraud and other crimes.

Identity thieves may use many methods to gain access to your personal information. These include but are not limited to:

- Stealing records or documents from their place of employment.
- Rummaging through trash.
- Stealing wallets or purses.
- They gain information from you by posing as a legitimate business person or government official.

What are the consequences of identity theft?

- Thieves can go on spending sprees and leave you with the bills.
- They may obtain new credit cards using your name.
- Take auto loans out in your name.
- Produce counterfeit checks using your information.
- File for bankruptcy under your name.
- They may even give your name to the police if arrested.

When released they don't show up on their court date and a warrant is issued in your name.

What to do if you think your identity has been stolen:

- Contact the fraud department of any one of the three major credit bureaus to place a fraud alert on your file.
- Close the accounts that you know or believe have been tampered with.
- File a police report. Submit a copy to your creditors
- File your complaint with the FTC.

For more information go to:
www.consumer.gov/idtheft

Health Insurance Costs **Killing You?**

The rising cost of medical care and the resulting pressure on health insurance premiums makes health insurance a top priority if you want to have your health expenses covered at a reasonable cost. The current health insurance system is quite complex and constantly changing. Your Stonebraker McQuary agent can help you navigate the system and provide competitive choices for you.

Most companies provide limited coverage for property damage for small boats such as canoes and small sail boats or small power boats with less than 25 horse power under a homeowners or renters insurance policy. Coverage is usually about \$1,000 and generally includes the boat, motor and trailer combined. Liability coverage is typically not included—but it can be added as an endorsement to a homeowners policy. Check with your insurance representative at Stonebraker McQuary Insurance to find out if your boat is covered and what the limits are.

Larger and faster boats, yachts, and personal watercraft such as jet skis and wave runners require a separate boat insurance policy. The size, type and value of the craft and the water in which you use it factor into how much you will pay for insurance coverage.

For physical loss or damage, coverage includes the hull, machinery, fittings, furnishings and permanently attached equipment for an agreed value. These policies also provide broader liability protection than a homeowners policy.

Summer Is Here...

Is Your Boat Properly Insured?



Boat insurance also covers:

- Bodily injury—for injuries caused to another person
- Property damage—for damage caused to someone else's property
- Guest passenger liability—for any legal expenses incurred by someone using the boat with the owner's permission
- Medical payments—for injuries to the boat owner and other passengers
- Theft

Most companies offer liability limits starting at \$100,000 and can be increased to \$500,000. Typical policies include deductibles of \$250 or \$500 for property damage. Medical coverage is \$1000 or higher. Higher limits may be available. Additional coverage can be purchased for trailers and other accessories. Boat owners may also consider purchasing an umbrella liability policy that will provide additional liability protection for their boat, home and car.

Boaters should also inquire about special equipment kept on the boat, such as fishing gear, to make sure it is covered and verify that towing coverage is included in the policy.

Boat owners should also inquire about discounts including:

- Diesel powered craft, which are less hazardous than gasoline powered boats as they are less likely to explode
- Coast Guard approved fire extinguishers
- Ship-to-shore radios
- Two years of claims-free experience
- Multi-policies with the same insurer, such as a car, home or umbrella policy
- Safety education courses, such as those offered by the:

Coast Guard Auxiliary - www.cgaux.org
 U.S. Power Squadrons - www.usps.org
 American Red Cross - www.redcross.org

Trusted Choice® Pledge of Performance

OUR PLEDGE TO YOU!

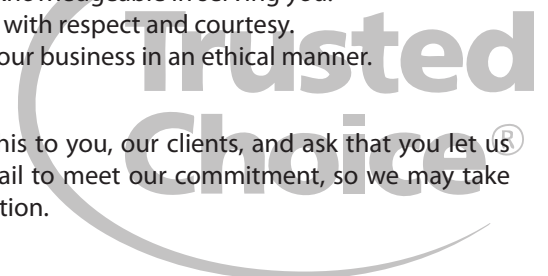
Trusted Choice® agencies are insurance and financial services firms whose access to multiple companies and commitment to quality service enable us to offer our clients competitive pricing, a broad choice of products and unparalleled advocacy.

As a Trusted Choice® agency, we are dedicated to you and are committed to treating you as a person, not a policy. This commitment means we shall:

- Work with you to identify the insurance and financial services that are right for you, your family or your business, and use our access to multiple companies to deliver those products.
- Guide you through the claims process for a prompt and fair resolution of your claim.
- Help solve problems related to your coverage or account.
- Explain the coverages and options available to you through our agency, at your request.

- Return your phone calls and e-mails promptly and respond to your requests in a timely manner.
- Provide 24/7 services for our customers, offering any or all of the following: emergency phone numbers, Internet account access, e-mail and call center services.
- Use our experience and multiple company relationships to customize your coverage as needed.
- Commit our staff to continuing education so they may be more knowledgeable in serving you.
- Treat you with respect and courtesy.
- Conduct our business in an ethical manner.

We pledge this to you, our clients, and ask that you let us know if we fail to meet our commitment, so we may take corrective action.



Employee Hobbies

Cherie Ashby,

commercial lines customer service agent / koi pond installer



Cheri Ashby has been a customer service agent with Stonebraker-McQuary Insurance for 21 years. For 16 years, she and her husband have been installing koi ponds. Throughout the years and various moves, the two have installed

seven to eight ponds in their yards.

"My husband jokes that [the ponds mean] he doesn't have to mow as much lawn," she says. The Ashbys became interested in koi ponds after seeing a "huge" pond in the water garden that used to be in the Heights. Cherie says that the ponds create a relaxing atmosphere. "You go out and there are lots of birds, the water is running. It's soothing."

The Ashby's ponds have been featured in a Bob's Pet and Pond commercial and in a newspaper article. "People stop us and say, 'You're the pond people, can you give us suggestions?'"

serving over
10,000
customers



stonebraker
mcquary
i n s u r a n c e

Recently Spokandy made the switch from a local broker of over 20 years to Ed Lewis of Stonebraker-McQuary. A transition that should have been difficult was made easy by Ed. Mr. Lewis not only **made personal recommendations** to my current policy but he **saved me a good amount of money**. A great policy for less money that is what any small business needs.

Thanks, Ed!

—Todd Davis, President, Spokandy Chocolatier

Laughter Corner

An elderly retired gentleman had severe hearing problems for some time. He went to the doctor and the doctor was able to have him fitted for a set of hearing aids that allowed the man to hear better than he had ever heard before.

One month later, the elderly man went back again to the doctor. The doctor said, "Your hearing is perfect. Your family must be really pleased that you can hear again."

The gentleman said, "Oh, I haven't told my family yet. I just sit around and listen to the conversations. I've changed my will three times!"



stonebraker
mcquary
i n s u r a n c e