



Lutgers Insurance

Ave Maria • Bonita Springs • Fort Myers • Marco Island • Naples • Sarasota

Fall/Winter 2008

Affiliations

As a division of The Lutgers Companies, Lutgers Insurance provides its clients with direct access to the valuable connection these companies share through their affiliation with The Lutgers Companies.



The Lutgers Companies



PREMIER PROPERTIES OF SOUTHWEST FLORIDA, INC. REALTORS

Lutgers Title, LLC



Corporate Headquarters
1395 Panther Lane, Ste 100
Naples, FL 34109
Ph: (239) 262-7171
Fax: (239) 262-5360
Toll free: (800) 842-1359
www.lutgersinsurance.com

President's Corner

I hope this newsletter finds you well especially during the very difficult economic times we are facing. The uncertainty in our economy coupled with the shaky state of world affairs is unnerving to say the least. The question I am frequently asked is how is the insurance industry faring during this financial crisis?

For the most part, insurance carriers have been able to sustain themselves during difficult financial times. Even through the Great Depression the top carriers survived and continued to take care of their clients. However, insurance companies that have not been adequately funded, that have made unwise and ill advised underwriting decisions and/or made poor investments are at risk. While we will undoubtedly see some insurance company failures, our expectation is that these companies will merge with or be acquired by stronger carriers.

In today's environment it is very important to choose your insurance company and agency wisely. Partnering with an insurance agency that will look out for your best interests is paramount. The financial strength of the insurance agency you do business with is also important. The strongest agencies typically represent the best companies and employ the top insurance professionals in the industry. I am pleased to report that Lutgers Insurance is one of those such agencies.

As always, I thank you for your patronage and wish you a very joyous Holiday Season and a prosperous New Year.

Bud Hornbeck
President and CEO

Inside This Issue

PAGE 2...

Long Term Care Insurance –
What You Don't Know Can Hurt You

PAGE 3...

The Basics of Crime Insurance

PAGE 4...

The Risky Worker

PAGE 5...

Claim Communication...Essential to Satisfaction

Important Changes Coming to Citizens

PAGE 6...

What's New at Lutgers Insurance

INSURING OUR CLIENTS' TRUST

Since 1953

Seated: Bud Hornbeck • Scott Lutgers
Standing: Steve Benza • Dick Baker
Howard Gutman • Marc Williams



Profiles of Distinction



Long Term Care Insurance – What You Don't Know CAN Hurt You

In 2007, Long Term Care (LTC) benefits totaling \$3.5 billion were paid to 180,000 Americans.

Most people associate LTC insurance with nursing home care but quite the opposite is true. Over 97% of LTC insurance policies sold provide some form of home care benefit. The vast majority of benefits paid today cover care at home or in an assisted living community. In 2007, over 40% of the claims paid were attributed to home care, 33% were for assisted living and **only** 24% covered nursing home care.

The three main reasons people don't purchase LTC are:

1. *I can't afford it.*
2. *Medicare and Medicaid will cover it.*
3. *I don't need it.*

There are several ways to reduce your LTC premium. Instead of an off the shelf policy, buy a plan that is tailored to your individual needs. Most traditional LTC plans provide basic coverage with multiple options. One option you might look to reduce is the benefit period. Instead of lifetime benefits, consider something fixed, like a 5 year benefit period only. Another place to save is the inflation factor. Choose a 3% compounded interest rate versus a 5% rate. Limiting the inflation period for 20 years instead of for your lifetime will also reduce the premium. Lastly, consider taking a longer waiting period (the period that you would self insure before your benefits start) of 90 or 180 days instead of the standard 30 days.

“Medicare or Medicaid will cover it.”

Medicare and Medicaid were never intended to provide for a lengthy stay in a nursing home. If you qualify (and it is very difficult to qualify), Medicare allows you 100 days in a skilled care facility only. Beyond 100 days, you have to pay all of the cost yourself.

Many people will not need a skilled nursing facility, but may need a lesser level of care that is available at an assisted living facility. Unfortunately, Medicare and Medicaid do not pay for stays in assisted living facilities.

Did you know that the risk of needing long term care is greater than the risk of a serious car accident or house fire?

“I don't need it.”

Did you know that the probability of needing long term care is greater than the probability of a serious car accident or house fire? Yet, we take buying homeowners, auto and health insurance for granted and think nothing of spending our insurance dollars on these more familiar coverages. At an average annual cost in Florida of \$80,000, do you have enough money/assets to sustain a long stay in a skilled nursing facility?

For additional information, please contact our LTC Specialist, George Leamon, at: gleamon@lutgertinsurance.com or 239-280- 3246.



“I can't afford it .”

Start investigating options when you are still in good health. This is generally in your 50's. Individuals who are in good health can qualify for discounts that can reduce the costs of their long term care. Once you are declined coverage by one insurer, you may find it impossible to get coverage.



The Basics of Crime Insurance

According to the Association of Certified Fraud Examiners, U.S. businesses lose \$400 billion each year to employee fraud, with the average business losing \$9 each day to dishonesty.

Common employee scams fall into three main categories: fraudulent statements; asset misappropriation; and bribery or corruption. Two out of five businesses suffer more than five instances of fraud, and one in four loses at least \$1 million as a result of fraud. For this reason, crime insurance is a wise buy, offering you and your business coverage stemming from fraud-related financial losses.

Most crime insurance policies cover not only employee fraud but also third-party scams including forgery, counterfeit currency, and theft of company property.

funds, customer credit card numbers or other financial data.

Computer coverage and protection against unauthorized funds transfers or computer access are on the rise as more and more business is done over the Internet. With scanners, it's easy to forge a check, making financial damage easy to accomplish.

For around \$2,000 in annual premium, a small- to mid-sized company can purchase \$200,000 in crime insurance, making crime insurance more than just a good buy. In today's society, it's a must!

While many employees commit such crimes because they are disgruntled, the most common motivations for employee fraud are greed, vindication against the employer, and financial need. Regardless of motive, you need to be prepared and adequately covered.

Of course, when people get caught for such crimes, they frequently pay restitution and do jail time, but companies never fully recover the total amount lost. That's where crime insurance comes in. With adequate coverage, you can recoup all your financial losses.

It's also a good idea to maintain a strong system of checks and balances. These controls can affect your company's insurability and premiums as insurers examine the extent of internal controls, as well as a company's history of fraud losses when determining whether the company is a

Most crime insurance policies cover not only employee fraud but also third-party scams including forgery, counterfeit currency, and theft of company property. Many also cover money lost due to computer fraud by hackers who are after company

good risk.

For additional information, please contact your current agent or our Director of Business Development, Scott Newman, at: snewman@lutgertinsurance or 239-280-3244.





The Risky Worker

Does personality make a person more prone to injury?

*W*hile employee safety has come a long way over the past century with safe work standards and personal protective devices, what is not as well developed is the understanding of human behavior.

Studies show that 80% of the accidents are caused by 20% of the people. There are several factors in a person's personality that may have a role in how likely they are to be injured.

One study suggests that an increased risk of work injury is associated with non-occupational risk-taking behavior. Off-the-job risk takers such as those who speed or run a red light are also on-the-job risk takers. Often these are the more productive workers who go beyond the call of duty. So, in one sense, they are good for an organization, but their behavior can also lead to injuries.

Outside factors

Outside factors also influence injury frequency. For example, if employees are rewarded for finishing tasks in less time, it is likely that they will do so again even if it is unsafe. Violating safe practices and procedures does not normally come from a willful desire to get injured. Supervisors need to analyze how they inadvertently encourage risk-taking behavior and how to stop it.

Some workers who take risks may be less likely to be injured. An employee who questions a confusing instruction is taking a social risk, but if he does not take the risk, he could be injured by performing the task incorrectly. These are the types of risk takers every organization needs.

Other outside factors include being new on the job, a younger age, having a sleep disorder, a job change, and lack of physical activity. People who have considerable experience and take a job for granted are also prone to injury. Those whose minds wander into "mindlessness" and think of other things are vulnerable to injury.

Another problem is that employees who do a job unsafely and do not get injured will interpret the procedure as safe. Inaction on the part of management will reinforce the unsafe behavior. Supervision and/or retraining may be necessary.

Identifying employees who pose a higher risk of injury and providing the support they need until the job is done safely will help reduce dangerous activities.

Eventually we may be able to identify personality risk-taking factors before someone starts working. But this will never replace the need to vigorously enforce safe work standards!

For additional information, please contact our Director of Loss Control Services, Scott Bills, at sbills@lutgertinsurance.com or 239-280-3239.

Did You Know?

Lutgert Insurance is a proud sponsor of the Great Venetian Duck Race. In celebration of the 20th Anniversary of The Village on Venetian Bay in Naples, ten thousand rubber ducks will be dropped into Venetian Bay on Saturday, January 17, 2009 to float their way to the finish line. By adopting a duck for \$10 a piece, you could have the chance to win some amazing prizes. All proceeds will benefit the Children's Museum of Naples. Visit www.naples.com for more information and to adopt your duck today!





Claim Communication... Essential to Satisfaction

The Lutgert Insurance Claims Department proactively manages claims for our policyholders. We are the liaison between our clients and the carriers. A summary of our services includes:

- Professional consultation on all potential or submitted claims
- Initiate claims against responsible parties
- Interested parties are provided with the claim number and adjuster information
- Claims can be reported 24/7
- Assistance in recommending emergency repairs, required documents, photos
- Monitoring status of claims relative to payments, reserves, investigation
- Reserve reporting to ensure there are “no surprises” when the claim is concluded
- Subrogation/recovery continually tracked to ensure deductible reimbursement

- Analyze loss trends to assist in reduction of frequently occurring claims
- Quarterly or bi-annual meetings to review claim activity available upon request.

By utilizing the strengths of our Claims Department, we can provide recommendations to you and your insurance carriers to ensure that the claim process is handled efficiently and in a timely manner.



For additional information, please contact our Claims Manager, Ann Richard, at: arichard@lutgertinsurance.com or 239-280-3228.

Important Changes Coming to Citizens

2009 brings about two important changes for personal lines customers insured with Citizens Property and Casualty Insurance Company (Citizens).

Effective January 1, 2009, any home being insured with Citizens with a value greater than \$750,000 located in the “wind-borne debris region” must have opening protection (such as storm shutters or impact resistant windows and doors) that complies with the Florida Building Code. The wind-borne debris region consists of an area where the maximum wind speeds during a hurricane could exceed 120 mph. This includes most of the coastal counties like Collier, Lee, Sarasota, Monroe, Dade, Broward, Palm Beach, etc.

Those homes currently insured with Citizens have until July 1, 2009 to meet these new requirements. Wind mitigation forms will have to be obtained by the insured that show that the home is totally in compliance with these requirements.

As it stands now, if you do not get the required opening protection, Citizens will not offer you cov-

erage. While we should be able to find you coverage in the alternative market, you should be aware that the alternative market can be more expensive and sometimes offers less coverage than you may be comfortable with.

Citizens is revising the policy forms for their personal lines customers that have a “wind only” policy. Effective February 1, 2009, any “wind only” policy written on a single family home will be non-renewed and then subsequently re-written on the new form.

You will be receiving notification from Citizens about these non-renewals and your Lutgert account manager will be contacting you approximately 45 days prior to the expiration date of your policy to begin the rewriting process. Please know that we are well informed on these changes and do not anticipate any issues with the transition.

If you have any questions, please contact your account manager who will be able to help you.



What's New at Lutgert Insurance

Fort Myers

- Hired Bill Caputo as branch manager. Bill has over 25 years of experience in our industry.

Naples

- Hired George Leamon as an account executive specializing in life and long term care insurance. George previously owned his own agency in Naples and has over 25 years of experience in our industry.
- Hired Sandi Benson as a personal lines account executive. Sandi has 20 years of experience in our industry.
- Hired Rich Biondi as an account executive. Rich previously worked as a realtor in Naples and is new to our industry.

- Hired Patrick Trittler as an account executive. Patrick previously worked in Naples in advertising sales and is new to our industry.
- Hired Kelly Lauman as an account executive. Kelly previously worked in Naples for Pulte Homes and is new to our industry.
- Hired Sharon McKee as a front desk coordinator. Sharon previously worked at an advertising agency in Ft. Myers as a copywriter.

Sarasota

- Hired Diana Lyttle as an account executive. Diane has over 30 years of experience in the insurance industry.

Page 6



Lutgert Insurance

1395 Panther Lane, Suite 100
Naples, FL 34109

www.lutgertinsurance.com

Phone: (239) 262-7171 • Fax: (239) 262-5360 • Toll free: (800) 842-1359

(Information contained in this newsletter about product offerings, services, or benefits is illustrative and general in description, and is not intended to be relied on as complete information. While every attempt is made to ensure the accuracy of the information provided, we do not warranty the accuracy of the information. Therefore, information should be relied upon only when coordinated with professional insurance, tax and legal advice.)

Personal Insurance • Commercial Insurance • Employee Benefits