



Newsletter

216 Wooster ST · Lodi, OH 44254-0060 · 330-948-1375 · FAX: 330-948-3550 · E-mail: padgett@padgett-young.com
180 High ST · Wadsworth, OH 44281 · 330-334-1577 · FAX: 330-334-1579 · E-mail: padgettwadsworth@padgett-young.com

World's Top 10 Most Costly Insurance Losses

NEW YORK (Reuters)

Insurers are still counting their losses after Hurricane Katrina ripped across the U.S. Gulf Coast, with catastrophe modelers estimating it could be the costliest U.S. storm in history. Estimates of \$60 Billion are being projected by some analysts. Here is a list of the world's 10 most costly insurance losses from 1970-2004 from the Insurance Information Institute, which used reinsurer Swiss Re as its source.

The insured losses are adjusted to 2004 U.S. dollars and include property and business interruption losses. The figures do not include life and liability losses.

1. August 23, 1992 Hurricane Andrew (U.S.) \$21.542,000,000.
2. Sep. 11, 2001 Attack on WTC, Pentagon (U.S.) \$20.035,000,000*
3. January 17, 1994 Northridge earthquake (U.S.) \$17.843,000,000
4. Sep. 02, 2004 Hurricane Ivan (U.S., Carib) \$11.000,000,000
5. August 11, 2004 Hurricane Charley (U.S., Carib) \$8.000,000,000
6. Sep. 27, 1991 Typhoon Mireille (Japan) \$7.831,000,000

7. January 25, 1990 Winterstorm Daria (Europe) \$6.639,000,000
8. December 25, 1999 Winterstorm Lothar (Europe) \$6.578,000,000
9. Sep. 15, 1989 Hurricane Hugo (P.Rico, U.S.) \$6.393,000,000
10. August 26, 2004 Hurricane Frances (Bahamas) \$5.000,000,000

* = Total insured losses from the attacks on the World Trade Centre in New York City and the Pentagon are expected to be about \$31.7 billion, including liability claim costs.

Propane & Natural Gas Prices to Climb

With increasing cost of heating gas, many people may consider going back to wood burning stoves. Please keep in mind the insurance requirements for acceptable wood burning stoves:

- U.L. Certified Unit.
- Installation by professional installer / contractor.
- Notifying us so we can arrange to inspect and photograph the unit.

Most companies make an additional charge for heating with such equipment. Please check with us before purchasing or reactivating wood burning stoves. We want to help you avoid any unpleasant surprises.

Peak Season for Trampoline Injuries

In 2004, the Consumer Product Safety Commission found that more than 89,000 people were sent to emergency rooms with trampoline-related injuries.

"Parents have not gotten the message that trampolines should not be used in the home environment," says James Linakis, a pediatric emergency physician at Hasbro Children's Hospital. "They should be used in very structured, well-monitored environments with proper supervision. Frankly, that supervision probably doesn't and can't happen at home."

A 2000 report by the safety commission found that most injuries associated with the 2 million recreational trampolines in use in American homes were the result of jumpers:

- Colliding with one another.
- Attempting stunts and flips.
- Falling or jumping off the trampoline.
- Falling onto the trampoline frame or springs.

Trampoline-related trauma ranges from cuts and bruises to broken limbs, spinal cord injuries and even death.

Although the commission has not found an increase in deaths or neck injuries involving trampolines, it did issue a safety alert in 2001. The alert said that since 1990, the commission had recorded six trampoline-related deaths of children under 15.

Most insurance companies will not allow trampolines, or they make an additional premium charge. Please check with us before adding this equipment to your backyard. They really are dangerous.

Ohio Weighs High-Risk Health Insurance Pool

The Ohio Legislature is looking at plans to help patients with expensive conditions - lung disease, cancer, multiple sclerosis and other ailments - buy the drugs they need for treatment.

However, the plans would only cover those who are unable to get insurance because of their existing conditions, not the uninsured or the poor, according to Associated Press.

State officials estimate the number at 13,000 people who might be able to buy insurance if they could. If it's available at all, they often pay three times the rate others pay - up to \$1,000 a month, The Columbus Dispatch reported September 24, 2005.

A high-risk insurance pool could help solve the problem, an Ohio Department of Insurance report says. But the cost is high - to the insured and hospitals.

A plan being discussed in the Legislature could be funded by premiums paid by those who need the medication - \$476 a month to start - while fees would be charged to hospitals and those already insured.

"We are hoping to reach people out there who could afford insurance if only they could get it," said Ann Womer Benjamin, director of the Ohio Department of Insurance and a former House member.

Tiffany Himmelreich, a spokeswoman for the Ohio Hospital Association, said other business should share the financial pain. "Hospitals really can't withstand another budgeted cost, faced with Medicaid cuts from the state and already under-cost payments from other government sources," she said.

State Sen. Lynn Wachtmann said the goal is not to deal with the "masses of uninsured."

"We specifically were targeting this legislation toward what we believe are approximately 17,000 Ohioans who earn money and have jobs, and because of health issues - heart attack, cancer - they are unable ... to purchase health insurance," Wachtmann, a Napoleon Republican, said.

He and state Rep. Jim Raussen plan to introduce legislation in January to fund a high-risk pool.

Home Replacement Cost

Your bank or mortgagee or real estate agent will appraise your home for market value. They do not estimate the cost to rebuild your home in the event of a disaster.

An insurance company does not care what the market value is; they want to know what it will cost to rebuild your home on the land you already own. Depending on local conditions, the replacement cost may be more or less than

the market value.

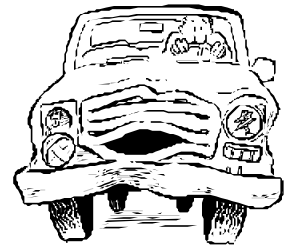
If you have added to your home, finished the basement, built onto the garage or added an expensive security system please let us know.

Building materials will be sent to the south for repairing hurricane damage. Any shortage seems to increase the cost of materials. We want to be sure there is enough coverage to rebuild your home if disaster strikes.

We have computer software to help estimate your rebuilding cost. If we have not discussed this problem with you recently, now would be a good time.

\$1,000,000 Umbrella Liability Policy?

What are the odds that someone might sue you for more than \$1,000,000? It's easy to agree that there is only a very small chance that something like this could happen. However, as we read the newspaper and watch television news, we hear of events every day that result in massive lawsuits and substantial awards. In some cases, instances of simple carelessness have resulted in huge financial penalties.



What would happen if you faced such a suit? Your first priority would be to submit a claim under the appropriate auto or homeowner policy. While these policies provide hundreds of thousands of dollars of liability protection, they can fall short when lawsuits involving injuries or death are filed.

An umbrella liability policy offers higher limits of protection where your other policies stop. And the premium for such coverage is surprisingly low. However, there are requirements that must be met before an insurance company will provide umbrella liability coverage:

Homeowner Liability Limits must be \$300,000 to \$500,000 limit.

Automobile Liability Limits must be \$300,000 to \$500,000 limits.

Boats, motorcycle and other recreational vehicles must carry limits equal to the auto policy.

Customer Referral Program

We've built our agency by taking special care of you and our other clients. It shows in the large number of people who call us because you, our existing clients, recommend us.

We want to keep growing with clients like you. Our best new clients call us because you recommend us, so...we LOVE it when you are "Talking About Us" and about the special treatment and really great service you receive from us!

Now we want to add a little FUN to the process! We're going to make it interesting by simply "Talking About Us". We considered giving our advertising dollars to newspapers, ad agencies, etc., but we'd rather give them to you, because...You are the best advertising we can get!

Call us to find out how to win a FREE \$10 Gas Card and to be automatically entered in a quarterly drawing for a \$50 Gas Card.

Homeowners Insurance

"Additional Living Expenses" Coverage

Additional Living Expenses Coverage can help people displaced by disasters. It can get families out of shelters and into better housing.

Many residents forced from their homes by Hurricane Katrina have insurance coverage under their homeowners insurance policies to pay for food and housing and other essentials of daily life, termed additional living expense (ALE).

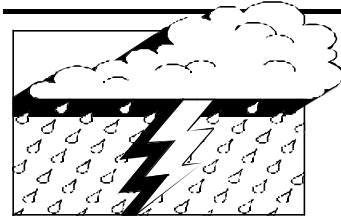
Homeowners insurance policies specify the amount of ALE coverage available. Generally, ALE pays for the difference between what it cost the family before the loss for housing and food and what it costs post-loss. Policyholders should keep all receipts for lodging and meals to make the claims process easier.

It is important to note that ALE coverage is available only when the insured property is uninhabitable because of a loss covered under the homeowners policy. Federal flood insurance policies do not include ALE coverage, so this assistance will not be available when damage to a home occurred from flooding.

The amount of coverage for ALE differs from insurance company to company and depends on the specific homeowners policy. Many policies provide coverage equal to about 20% of the amount of insurance on the home. For example, if the

dwelling coverage is \$185,000, ALE coverage would be \$37,000.

ALE coverage provides an important lifeline to policyholders whose lives are devastated by disasters like Hurricane Katrina. In many cases ALE coverage can help families leave shelters and move to better housing and hopefully improve the dire situation in even the slightest way."



Why Care About Flooding?

Floods are the most common natural disaster in the United States. They've caused nearly \$8.7 billion in U.S. flood losses in the past 10 years (prior to Hurricane Katrina).

There is a 26% chance of experiencing a flood during the life of a 30-year mortgage, compared to a 9% chance of a fire. However, losses due to flooding are not covered under the typical homeowners' and business insurance policies.

You can get flood insurance without living in a flood zone.. Many flood losses occur to properties not in a federally designated flood zone. If you live in a flood zone, the premium is much higher than not in a flood zone. If flood insurance is an issue you would like to go over with us, please call.

Padgett-Young News

Lodi Office News

Richard Edington, Padgett-Young Policyholder won a spot on this year's calendar again. Please look at the month of September to see this years gem. Congratulations Richard.

Jacque Marty, is our new bookkeeper. She lives in Sterling, on the family farm with her parents, siblings and the animals. She is the oldest of three children. Jacque has a sister named Paige and a brother named Jake. Jacque received her Associates Degree from Akron University in Accounting. In January, she plans on continuing taking classes towards her Bachelor's degree at Ashland University. Once she is done with school, Jacque plans on obtaining her Master's degree in Accounting. She is also active in the community with a range of activities: volleyball coach, 4-H advisor, flower gardening, and helps with benefit functions.

Wadsworth Office News

Ron Roach was recently recognized for 25 years of professionalism and service excellence representing Westfield Insurance. Westfield presented Ron with a commemorative statuette, The Old Man on the Fence, to honor this milestone.

Lucinda McDuffee, Agent/Office Manager, announces a new granddaughter. Reagan Leigh McDuffee was born to Josh and Susan McDuffee of Solon, OH on May 3, 2005. Lucinda now has four granddaughters and one grandson. Lucinda and

her husband, Mike, vacationed at Walt Disney World in June with two of their grandchildren and at the beaches of Southern New Jersey in August with two of their other grandchildren!

Cheryl Humble, Personal Lines Customer Service Representative announces the marriage of her daughter, Stacy, to Shane Troy on July 2, 2005. They are now residing in Ireland. Shane has taken a teaching position at a college in Kilcormac, Ireland. Stacy will be working on her Masters Degree.

Missy Henderson, Commercial Lines Customer Service Representative joins the Wadsworth office. Missy has been working with the agency in our Lodi office since June, 1997 as our bookkeeper. Missy is excited about her new position and is eager to get to know and work with the customers at the Wadsworth office. When she isn't at work, Missy enjoys spending time outdoors and with her family.

Brian Buckingham, our newest agent, moved from our Lodi office to our Wadsworth Office in July. Brian is busy focusing on both commercial and personal insurance. When Brian isn't out bringing in new business or servicing his existing customers, you can find him spending time with his wife Sheri and fifteen month old daughter Sophie. You might even run into him out on the golf course!! Brian's contact information:

Brian Buckingham,
Insurance Agent
Padgett-Young & Associates, Inc.
180 High Street
Wadsworth, OH 44281
Phone: 330-334-1577
Fax: 330-334-1579
Cell: 440-476-5912
www.padgett-young.com

Ohio Auto Thefts Down 2% for 2nd Straight Year



Auto thefts in Ohio appear to have declined more than 2 percent for the second consecutive year, according to estimates released by the Ohio Insurance Institute.

OII findings suggest Cleveland is where you'll experience the greatest chance of becoming an auto theft statistic in the Buckeye state. There was one theft for every 56 registered vehicles in Cleveland Auto theft-wise, Cleveland's ratio is similar to Dayton's - 1 in 61 - and Cincinnati's - 1 in 63.

Between 2003-2004 auto theft activity in Ohio's major cities ranged from a decrease of 23 percent in Springfield, to an increase of 56.2 percent in Euclid. Based on survey results, OII estimates statewide auto thefts were 40,039 in 2004.

The FBI reports that the average value per vehicle stolen in 2003 was \$6,797, up from the 2002 figure of \$6,701. According to OII calculations, the value of unrecovered vehicles in 2004 remained at \$101 million (\$101.3 million in 2003). The nation's vehicle recovery rate dropped slightly.

The Ohio Insurance Institute is a trade association representing insurance companies and agent groups for the property/casualty insurance industry. A primary objective of the OII is to help Ohioans achieve a better understanding of insurance and related safety issues.

Padgett-Young & Associates, Inc.

"People Committed to Serving You"

Thank you for choosing Padgett-Young & Associates for your insurance needs. We are committed to protecting your privacy and earning your trust.

According to recent media reports, e-mail "phishing" attacks are on the increase. Phishing is the act of sending an e-mail falsely claiming to be an established business in an attempt to trick the reader into surrendering private information that can be used for identity theft.

Commonly, the e-mail will say that the company needs to verify information about you to update your account or improve its Web site security. To protect yourself against phishing scams:

- NEVER give your password to anyone.
- NEVER provide personal information, such as bank account or Social Security Number, in response to e-mails requesting this information.
- Avoid clicking through links in e-mails asking for personal information.
- If you think the e-mail might be genuine, call the company using a telephone number that you know to be genuine, and ask them about it.

When you bought your insurance from Padgett-Young & Associates, we collected such information about you. We do not share that information with anyone except the insurance company.

We will not send an unsolicited e-mail to you that requests (or that links to a Web site that requests) sensitive personal information, such as your:

- Social Security Number
- Bank account, credit or debit card numbers
- PINs or security code numbers from the back of a credit card

If you ever receive an e-mail from Padgett-Young that you're unsure about, please contact your customer service representative or your agent. We will verify it for you.

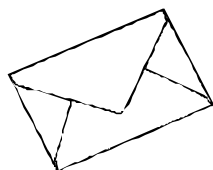


Congratulations

Commercial Customer Service Specialist

Michele Filous has successfully completed the annual continuing education requirement of the Society of Certified Insurance Service Representatives. To earn this prestigious designation, Michele attended five courses covering all phases of the insurance business and passed five comprehensive examinations. Michele, a 19 year veteran of the industry, has been a CISR since 1991.

Our Privacy Policy at Padgett-Young



Information We Collect

You are our primary source of information about you. For example, we receive nonpublic personal information about you (such as your name, address, social security number, and marital status) from applications or other forms that you submit to us. However, we also may collect nonpublic personal information from sources other than you, such as information about your transactions with us or with others, and information which we receive from third parties, including consumer reporting agencies. (i.e. Motor vehicle reports)

Information We Disclose

We do not share nonpublic personal information about you with anyone other than as permitted by law. The law permits us to disclose your nonpublic personal information without your authorization, such as information, which is necessary to process insurance transactions that you, request or to service your insurance policies.

Information Security

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products and services to you. We maintain physical, electronic and procedural safeguards consistent with applicable state law to guard your nonpublic personal informa-