



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



Automobiles Purchased by Your Children

As a general rule, the car must be titled in the parents name to be insured on the parent's policy. That will allow your child to get discounts that they may not get on their own individual policy. Such discounts may include: Multi-car discount of 20%, home owner discount of 10% and preferred rate based on your excellent claims and payment history.

If your child has a bad driving record, it may be best to put the child on their own policy. A bad-driving record by one driver can drag all other drivers in your home along to a higher rate.

Before your son or daughter purchase a car and decide how to title it, call us first. We can go over your options with you ahead of time.

New Auto DVD Player?

With the rising number of new cars sporting DVD systems, you may want to consider an endorsement to cover this equipment. No coverage is provided under the base auto policy, but you can endorse your policy to add the coverage. Cost varies but is around \$3.50 per year for each \$100 of value. So a \$500 equipment rider would cost about \$17.50 per year ($\$500 / \$100 = 5 \times \$3.50 = \17.50).

Spring Showers Bring May Flowers.

Backup of Sewer or Drain Endorsement is an optional coverage available under a homeowner policy. Provides coverage for loss caused by water that backs up through sewers or drains or that overflows from a sump pump Call us if you are unsure if your homeowner policy has the sewer backup endorsement.

This should not be confused with flood coverage. Surface water on the ground that comes into your home through windows or doors can be covered with a flood insurance policy. Flood Insurance is a separate policy and is underwritten by the Federal Government. Rates depend on proximity of your home to a flood plain.

Flood Zones: Federal Emergency Management Agency produces maps, called Flood Insurance Rate Maps, depicting flood hazards across the United States. The maps show special flood hazard areas for areas affected by a flood having a one-percent chance of occurrence in a given year (also referred to as the base flood or 100-year flood). By law, Federally regulated lending institutions must require the purchase of flood insurance for mortgages on buildings shown in the flood hazard areas on these maps. If you want to determine your proximity to a flood zone, check out <http://www.hazardmaps.gov/> on the web. If you do not have access to the internet, give us a call. We can look it up for you.

Seat Belts Save Lives

States with Primary Seat Belts Laws are saving lives, according to Insurance Highway Safety Institute.

Safety belt use laws in only 21 states and the District of Columbia are primary, meaning police may stop vehicles solely for belt law violations.

But in most states belt use law enforcement is secondary, so police cannot stop vehicles for this infraction alone (New Hampshire is the only state without a belt use law.) In a new study the Insurance Institute for Highway Safety found that when states strengthen their laws from secondary enforcement to primary, driver death rates decline by an estimated 7%. **Ohio is a Primary State.**

"In states with primary laws, safety belt use rates are higher. The result is that crash deaths are reduced," said Institute senior vice president Susan Ferguson. "Where primary laws are in effect, drivers are more likely to buckle up because the perception is that they're going to be pulled over if they don't."

The most recent national observational survey conducted in 2004 by the National Highway Traffic Safety Administration shows that belt use rates averaged 84 percent in primary states compared with 73 percent in secondary states. A number of observational studies have shown that shifting from secondary to primary laws boosts safety belt use, but the Institute's is the first study to evaluate the effect of this shift on traffic deaths.

Ohio: 4th Lowest Homeowners Rates 16th Lowest in Auto Insurance

Ohio insurance consumers continued to benefit from a healthy property and casualty market in 2004 and rates are not expected to change significantly in 2005, the state's insurance department announced.

Homeowners insurance rates offered by the state's top ten insurers expect their smallest increase in four years for 2005.

"Ohio has consistently ranked among the lowest premium states for both homeowners and auto, ranking 4th and 16th lowest respectively," said Director Ann Womer Benjamin. "Ohio consumers continue to benefit from a healthy and competitive market."

Internet Scams

Growing in Mischief

PLAIN DEALING: Reprinted with permission.
January 27, 2005 · Sheryl Harris; Plain Dealer Columnist

If you're the least bit paranoid, turn to the comics page right now. (Of course, if you're really paranoid, you're already muttering, "Comics page?! What is it she doesn't want me to see?")

The Internet Scambusters have looked deep into their crystal ball - it looks a lot like a computer - and divined the Top 10 Worst Internet Scams for the coming year.

Audri Lanford, a co-editor of the Internet Scambusters online newsletter, is the first to admit that the group's look forward is unscientific. But if you know what kinds of things to watch out for, maybe you can avoid some common cons.

So here are Internet Scambusters' picks, which go from bad to worse:

10. Job posting threats.

People who post resumes online are giving out an incredible amount of personal information that could be put to misuse. Lanford warns that stalkers and identity thieves have perused online resumes for potential victims in the past, and she's betting that we'll see more of this in 2005.

(Remember that re-shippers and other scam artists often cull victims from job-posting sites, too. Postal inspectors in Cleveland warned last year that several people seeking jobs had been contacted by "employers" overseas. The victims wound up agreeing to have big-ticket electronics sent to their homes - usually so they could check the contents as part of a quality control job - and then forwarding the merchandise overseas. The credit cards used by the "employer" to make the purchases wound up being fake, and the poor victims the unsuspecting employees

wound up having to explain why they shouldn't be charged with receiving stolen property)

9. The Nigerian Scam.

It just keeps getting better. You know this one, the "official" overseas who's looking for help depositing millions of dollars - from an inheritance or some other source - in exchange for a cut. The scam artists either get your bank account number and drain the account or send you a phony check and ask you to forward funds back to them. Because banks have to deposit funds before a check can clear a foreign bank, the check often isn't discovered to be fake until the victim has wire-transferred money from his own account. The bank comes back to the victim to demand he cover the loss. Nigerian letters started out fairly clumsy, with misspellings and bad translations, but Lanford says they've gotten much more convincing over the years. Not only are they better written, she says, the senders are tailoring them to specific victims. The latest mass e-mails target ministers, Lanford said, and the sender purports to be looking for a church to give the money to, to carry out a benefactor's last wishes.

8. Vehicle sales online.

This one, which you've also read about here, targets people selling cars. A foreign buyer sends a check for more than the agreed-upon sales price, then asks the seller to forward the overage to an associate. (See Nigerian letter above for why that's a bad idea.)

Scambusters says this scheme is likely to develop more creative variants: At the end of last year, the organization said, it heard the scam was being aimed at folks selling horses!

7. Threats to cell phones.

Where to start? First, they're being zapped by "spim" the instant-message counterpart of spam. Lanford also predicts more viruses aimed at cell phones in the coming year. And

people who use their cell phones to store information like contact information and financial info may be particularly at risk in the coming year: Hacking into cell phone data, Lanford says, "is not terribly difficult."

6. Lottery scams.

The El Gordo lottery, the Spanish lottery, the Canadian lottery . . . the list just keeps growing. The main things to remember are that international lotteries are all illegal here and that the reason they want you to send money for taxes or processing or whatever is because they're trying to get money from you, not give it to you.

5. Targeted Internet attacks.

In the past, Scambusters reports, viruses, trojans and worms used to be random, aimed at infecting as many people as possible. But at the end of 2004, Lanford reports, several online gambling sites became victims of extortion attempts.

The companies were told that if they didn't hand over cash, the virus writers would either attack their sites to make them inoperable or unleash a widespread virus that would trace back to the gambling site.

Scambusters is predicting that these targeted attacks will become more widespread in the next year. If your Web site is threatened, she said, contact the police and the FBI.

4. More dangerous worms and trojans.

Symantech noted a 400 percent increase in Internet worm variants in 2004 than the year before. Practice makes perfect.

3. Spyware.

This is software that lurks on your computer or on a company's computer and transmits sensitive information or captures keystrokes that could help scam artists figure out your bank account numbers and passwords. It's getting harder to detect - and to prevent.

And don't download anti-spyware software from sources you haven't checked out.

Lanford warns, "We've seen more things that are supposedly anti-spyware that are spyware."

2. Phishing scams.

The Scambusters team debated whether this should be listed at No. 1 or No. 2. Phishing involves those e-mails that seem like they're from your bank or Internet auction or escrow service. They warn of a problem and ask you to verify account information.

Ever been tempted to respond to one? You're not alone, Lanford says: "Some of these are so sophisticated, I've almost gotten taken - and I'm an expert!"

It used to be that scam artists had to be pretty computer savvy to come up with a phishing scheme, but now ordinary schlubs can buy phishing kits on the Internet. Phishing was almost unheard of until late 2003, she notes, but it's grown so fast that anyone with an in-basket has run across the scheme.

1. Identity theft.

It's outta control, and it's the goal behind most of the scams on this list. "It is the largest security threat," Lanford says.

Scam artists want your name, your birth date, your account numbers, your passwords - anything that will help them pose as you so they can take out credit cards and loans in your name. The really brazen ones will set up Web sites in your name to scam others.

Sounds bleak, doesn't it? So I asked Lanford if she saw anything hopeful for consumers in 2005. And get this: Her answer is yes.

Although Internet fraud is growing, it's still a small percentage of Internet business, she says. And even though scams are evolving, consumers are getting more sophisticated, too.

For those who worry they won't spot a scam, here's a simple rule: "If you don't respond to spam, chances are pretty good you won't be scammed. If you do, chances are you will be."

You can read Internet Scambusters' warnings and sign up for the organization's newsletter at www.scambusters.org.



Red Light Accidents

January 25, 2005 Farmers Survey: Red Light Running Among Top Causes of Crashes; Men More than Women Feel Need to Run Red Lights.

While most people associate fatal auto crashes with speeding or drunk driving, making a trip to the grocery store could prove just as, if not, more treacherous.

A new survey conducted by the Farmers Insurance Group of Companies showed more than 36 percent of motorists admitted to running a red light in the past year - an offense that is the leading cause of crashes in urban areas. According to the Insurance Institute for Highway Safety (IIHS), red light running crashes cause nearly 1,000 deaths and more than 200,000 injuries each year.

Red light running is defined, as a motorist deliberately entering an intersection after the signal light has turned red. According to Farmers, the problem is then exacerbated because generally when people go through a red light, they accelerate to move through the intersection faster before the traffic in the other direction begins - this impulse to drive faster through the intersection, where there may be pedestrians, does not allow for a proper reaction time.

"Observing red light signals can literally prevent thousands of tragic accidents," said Jeff Beyer, senior vice president & chief communications officer for Farmers Insurance Group. "Drivers must always ask themselves if the few seconds they might save by running a red light are worth the risk of injuring, or even killing, someone."

The Farmers Insurance survey also showed that more men (42.2 percent) than women (30.9 percent) said they had run a red light in the past year. Additionally, nearly half (48.6 percent) of those in the 18-34 age group said they had sped through a stoplight in the past year. Seven of those polled were habitual offenders, claiming to have run more than 20 red lights in the past year.

Red light cameras have been shown to reduce the number of drivers running red lights, but cameras are only currently allowed in 16 states. According to the IIHS, each year more than 900 people die and nearly 200,000 are injured in crashes that involve red light running.

"Most of the fatalities in these type of crashes are innocent victims - pedestrians and other motorists," Beyer said. "Losing a life is always tragic, but even more so when it's the result of something so unnecessary as running a red light."

Special Recognition

Want to really impress your friends for an upcoming Birthday or Anniversary? If your friend is turning age 80 (or older) or your friends are celebrating their 50th (or greater) wedding anniversary, have the White House send them a greeting card at your request.

How you ask? It's easy; all you have to do is fax some information to The White House Greeting Office.

Attention: The White House Greeting Office
Fax: 202-395-1232

Please include the following information:

- Name and address of Honoree(s)
- Form of Address (Mr./Mrs./Dr./Miss/Etc.)
- Exact date of occasion (month/date/year)
- Age or Number of Years of marriage
- Your (requesters) name and day phone number
- Any specific mailing instructions if other than honorees address

Health Savings Accounts

Off to Fast Start
New AHIP Study Shows
Washington, Jan. 12 /PRNewswire/

The market is responding favorably to health savings accounts, with about 438,000 people choosing the new high deductible, lower-premium coverage through September of last year, a new study by America's Health Insurance Plans shows.

"These early data demonstrate that the market is reacting very quickly to health savings accounts," said Karen Ignagni, president and CEO of America's Health Insurance Plans, noting that the rules governing the new accounts were not finalized until mid-summer.

According to the study, individuals purchased more than four-fifths of the initial health savings accounts (HSAs), with nearly half the covered people over the age of 40. Thirty percent of the individual policies were purchased by people who were previously uninsured. Released at a briefing today, AHIP's initial survey is the most comprehensive analysis of the new health insurance option to date.

Ignagni said growth of new companies offering these new plans has occurred across the board since the survey. She said there are now 58 companies offering high deductible plans to large employers; compared with 15 in September; 56 companies providing plans to small employers, up from 20 at the time of the survey; and 47 companies have plans for individuals, contrasted with 11 several months ago.

Ignagni noted the introduction of HSAs has far outpaced earlier experiences with similar account-based high deductible plans. Roughly 40,000 Archer Medical Savings accounts (the precursor to HSAs) were established during the first year of their existence, she said, and they failed to

reach the same level of market penetration in 10 years that HSAs have already achieved.

The qualifying high deductible health plans purchased in the small employer market have average annual premiums of about half the standard lower deductible policies.

Mold A Growing Problem

12/04 (Newstream)

Mold claims cost homeowners more than \$1 billion last year - about five times as much as it cost in 2000 according to The Insurance Information Institute. So when protecting your home from the basics like fire and burglary, it is also important to protect your home against water damage that can lead to mold growth. Here's how you can help protect your home.

Look around your home for water leaks and cut off the source of the leak as soon as possible. Check plumbing fixtures, roof gutters and air



conditioners regularly, as well as appliances like refrigerators, dishwashers

and washer and dryers.

Be aware of potential signs of water leaks in the future, like moisture on your windows and damp, musty smells.

Open windows and use fans for good ventilation in your home, particularly humid areas such as the laundry room, kitchen and bathrooms.

When you go on vacation, turn off the water source to your home and set the thermostat above 50 degrees if it's cold outside. This can help prevent undetected water damage from leaky appliances or pipes.

If there is mold, clean the area as quickly as possible to prevent mold from spreading.

If you're ever unsure if a water leak may be occurring or see gray or black water leaks, call a professional to take a look.

Padgett-Young News

Software Can Simplify Homeowners' Claims

January 26, 2005 Cleveland Plain Dealer by Sheryl Harris

The Insurance Information Institute, an outfit that's paid for by property insurers, says free, downloadable software is on its Web site; (www.knowyourstuff.org or www.iii.org) could help homeowners and renters inventory their possessions.

The institute says an inventory will help you decide how much insurance you need, get claims settled faster and substantiate losses for income tax purposes.

You can do the same thing by making a room-by-room list on paper.

If you do decide to make a list, don't forget jewelry, furs and electronics, which you may need a rider to cover, and everyday items such as toys, linens and CDs. The institute says that these items can add up if your home is damaged.

It's also a great idea to have digital photographs or videotapes of your possessions.

The institute stresses that the soft ware is to be installed on your computer and that the institute will not have access to the information. You will want to burn a CD or keep a paper copy of the list in a secure location away from home.

Lodi Office

Robert Terhorst, son of Customer Service Representative Renee Terhorst, is on track to becoming an excellent wrestler. He recently participated in Cloverleaf Youth Wrestling through the Cloverleaf Recreation Center. He had a very successful season, which placed him in the State Finals. Robert was the first youth wrestler from Cloverleaf to go to State! Robert is looking forward to participating at the Middle School next year.

Satellite Office

Did you know that Padgett-Young & Associates has a satellite office in Doylestown, Ohio? Becky Gerber and Karen Airulla are our agents there and would welcome referrals and the opportunity to quote home, auto, farm and business/commercial property.

As long time residents of Chippewa Twp., Becky and Karen are familiar with the area and involved in the community. Before joining Padgett-Young and Associates as agents in 2003, Becky had an extensive medical background as a Licensed Practical Nurse as well as working with her husband locally in the field of long term nursing care insurance. Karen joins us with a business background in manufacturing where she held various operations and customer service management positions.

The highest complement our clients can give is the referral of their friends and family. Why not give Becky or Karen a call at 330-658-2055 and let them schedule an appointment to discuss your insurance needs. They are committed to providing a comprehensive, competitive insurance package for you as well as first class customer service. Thank you for your trust.

Newest Padgett-Young Associate Brian Buckingham



Brian resides in Lakewood, Ohio with his wife Sheri and new baby daughter, Sophie who is 11 months old.

Brian went to Rocky River High School and graduated from Ohio University with a degree in Communications.

Brian's past experience has mainly been in sales and customer service. Most recently,

at PolyOne Corporation in Avon Lake, Ohio.

Brian's wife, Sheri went to Elyria High School, graduated from Ohio University with a degree in Education at Ursuline Academy. Currently, Sheri is teaching second grade at Granger Elementary and loves her job.

Brian joined Padgett-Young at the end of march and has attempted lots of agent-training courses. Brian is looking to become a successful agent and is very excited to be part of the Padgett-Young Agency!

Wadsworth Office

Ron Roach of our Wadsworth Office has been invited to attend Cincinnati Insurance President's Club for the third straight year. The meeting this year will be in June in Bermuda. Lucky Guy!

Every year, The Cincinnati Insurance Companies invite the previous year's most successful agents to attend the President's Club. They gather to enjoy informative business meetings, educational seminars, entertainment, sight-seeing and fellowship.

Congratulations Ron!

Julie Ruckman, Commercial Lines Customer Service Representative announced a new granddaughter. Her name is Grace Olivia and she was born last October. This makes her grandchild count to be four boys and two girls. Julie thinks this is her last grandchild, just in time too!

Quote of the Day

How wonderful it is that nobody need wait a single moment before starting to improve the world. *Anne Frank*

Padgett-Young Humor!

(Who said insurance people are boring?)

When You're Over 50...

1. Kidnappers are not very interested in you.
2. In a hostage situation you are likely to be released first.
3. No one expects you to run into a burning building.

4. People call at 9 p.m. and ask, "Did I wake you?"

5. People no longer view you as a hypochondriac.

6. There's nothing left to learn the hard way.

7. Things you buy now won't wear out.

8. You can eat dinner at 4 p.m.

9. You enjoy hearing about other people's operations.

10. You get into a heated argument about pension plans.

11. You have a party and the neighbors don't even realize it.

12. You no longer think of speed limits as a challenge.

13. You quit trying to hold your stomach in, no matter who walks into the room.

14. You sing along with the elevator music.

15. Your eyes won't get much worse.

16. Your investment in health insurance is finally beginning to pay off.

17. Your joints are more accurate meteorologists than the National Weather Service.

18. Your secrets are safe with your friends because they can't remember them either.