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Our Exclusive Newsletter for Individuals

IN THIS ISSUE:

It Doesn't Take a Hurricane to Cause a Flood

By Stephanie K. Jones

Flooding is the costliest — and the most common — natural disaster to significantly impact communities across the United States, The PEW Charitable Trusts notes in reporting on flood-prepared communities. Flood events have accounted for more than $850 billion in damage and losses in the U.S. since 2000, the global nonprofit, nongovernmental organization points out.

It doesn't take a hurricane to create a flood event. After all, just one inch of water in a structure can cause up to $25,000 of damage, according to FEMA. But the run-up to the Atlantic hurricane season is nevertheless a good time to consider flood insurance. This year it is especially important for risk professionals to talk to their clients about flood insurance, in part because of FEMA's roll out this year of a new rating system for the National Flood Insurance Program (NFIP), Risk Rating 2.0, and because of the growing market for private flood insurance.

FEMA's new rating methodology will increase flood insurance rates for 3.8 million homeowners, according to an analysis by ValuePenguin.com. Not every NFIP policyholder will see a rate increase, however. Some may experience no change in rates while the cost for flood insurance will decrease for some 1.2 million homeowners, ValuePenguin reported.

FEMA's Risk Rating 2.0 goes into effect on Oct. 1, 2021, for new policies and April 1, 2022, for renewals.

Meanwhile, the interest by private insurers in offering flood coverage is expanding. A report published by the Insurance Information Institute in April 2021 shows that in 2020, the number of private carriers writing flood insurance grew to 175, up from 152 in 2019 and 127 in 2018.

Mike's Blog
What Every Parent with a Teen Driver Should Know

Ava Alexander

It all happens so fast; one minute, you're changing diapers, and the next thing you know, your little one is all grown up. Suddenly, they've swapped plastic teething keys for the real, metallic set. That 16th birthday can bring about one of the most terrifying things any parent has to go through -- teaching their child to drive and letting them hit the open road on their own. Yes I know, because it has happened to me! My daughter, Ava, turns 16 in November and while doing everything I can to prepare her, I know the dangers.

We all know the dangers of driving. Whether it's drunk drivers, distracted drivers (which statistics show cause more accidents than drunk drivers), weather, or wildlife, there are a lot of threats out there that could turn a leisurely drive into a trip to the hospital.

Nothing is more important than the safety of your family. That's why it's so important to know what resources are out there to protect the new drivers in your life. Luckily, there are tons of resources and technology for teen drivers that can improve safety and give you some peace of mind. We all recognize how technology has impacted our lives. Computers, phones, etc. But did you know there are technological features that can protect your teen and give you peace of mind?

What is Teen Driver Technology?

Technology for teen drivers -- or as it should be known: technology for parents with teen drivers -- is focused on preventing the known behaviors that cause teens to drive dangerously. Many car manufacturers offer this feature to help ensure teen drivers are safely operating their vehicles, and to give their parents peace of mind.

They provide a variety of features that eliminate distracted driving and give parents insight to their kids' driving habits. These can range from backup cameras and GPS systems to automatic speed alerts and even driver report cards that can give you some insight as to how well your teen is driving.

What Features Are Included?

Manufacturers looked into the behaviors that cause dangerous driving habits in teens, and found that the most common habits are speeding, not fastening seat belts, listening to loud music, and texting while driving. The Teen Driver features included on vehicles with this function are centered around eliminating these behaviors. Features include:

- Volume Muting: an automatic limit to the volume of music your teen driver can listen to in order to prevent distracted driving.
- Speed Warning: this system automatically notifies drivers when they are going over the speed limit. Some models may even force a slowdown when speeding is taking place.
- Active Safety features that are automatically turned on (and cannot be turned off) such as:
  - Anti Lock brakes
  - Traction control
  - Stability control
  - Daytime running lights
  - Automatic headlight control
  - Parking sensors
  - Forward-collision warning
  - Forward-pedestrian and automatic emergency braking
  - Lane-departure warning
  - Lane-keeping assistance
  - Blind-spot warning
  - Rear cross-traffic warning

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- Driver Report Cards: a quick report card that gives parents insight as to how their kids are driving. No more simply "taking their word for it."
- Seat Belt Reminder: not only will teen drivers be alerted to when anyone, passengers or drivers, are not wearing a seat belt -- it will keep the car in park until all occupants are wearing a seat belt.
- Backup Cameras: these are helpful for any driver, but are especially useful if your teen is just learning how to parallel park. Those parking lot fender benders may not be life-threatening, but they can still cause tons of stress and are best avoided.

What Other Tech Can I Add to My Teen Driver's Vehicle?

If you want to add further levels of protection, or are not able to get a model of vehicle that includes Teen Driver technology, there are a number of options you can add to your child's vehicle to keep them safe.

- GPS: a hands-free GPS system will eliminate the need for your teen driver to use their phone to navigate, cutting down on distracted driving.
- Radar Detector: not only does this piece of technology alert drivers to when police are in the area, it also monitors the driver's speed. Parents can set a maximum speed limit for the vehicle, and a loud sound will play if the driver exceeds that limit.
- Cell Phone Signal Booster: the last thing anyone wants is to be stuck on the side of the road with no cell service. A booster will help your teen reach out to you when they might otherwise be unable to.

The Bottom Line

The truth is, driving is always going to be a risk. But, it's also an opportunity for your child to expand their horizons and gain a sense of autonomy and freedom. Rather than restricting your teen, Teen Driver technology serves as a learning tool that can keep an eye on them -- even while you can't.

Not only that, but your teen is likely just as nervous about driving as you are. No, really! It's a scary experience, and having the right tech can help ease stress and reinforce good habits that will stick with them for years to come. Now if something can just reduce the anxiety and fear for Dad!
Stay safe

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As little as seven years ago, flood was generally thought to be uninsurable in the private space. But technology has changed all that. With the technology available " today from an engineering perspective … and from a geospatial data acquisition perspective … private companies now are very, very confident that they have the ability to evaluate the risk of flooding at a specific location that would provide them [the ability] to offer products they believe would not only generate a decent return … but also be able to pay claims that would result from that event."

It's hard to tell at this point just how big the market for private flood insurance is, but a new line of reporting now being required of insurance companies by the National Association of Insurance Commissioners (NAIC) in their annual statements may soon begin to offer some insight. "We'll see more industry data that will be able to define what the private flood market is and how it's grown year to year. We see numbers thrown out that vary from 60% growth year over year but usually it's starting at a very low base. And it's tough to put your finger on exactly what that number is." A 2019 report on the private flood insurance market by Wells Media's Research & Trends division found private flood insurers reported total direct premiums written of $681 million in 2018, an increase of $51 million over 2017. The majority of the growth was in commercial flood insurance.

The Wells Media report shows that 30% of the U.S. private flood market is written in seven Gulf and Atlantic coast states identified by CoreLogic as having the highest potential for storm surge damage — Florida, Louisiana, Texas, Virginia, South Carolina, North Carolina and Georgia.

Nationally, the NFIP has some five million flood insurance policies in force, Butch Kinerney, branch chief, National Flood Insurance Marketing and Outreach, for the NFIP, said during a virtual panel discussion on flood insurance in June 2020. "We are in every state, every territory, every tribal nation. We are in more than 23,000

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participating communities nationwide. We cover $1.3 trillion in assets, all against flood. About 95% of our policies are residential and about 5% of our policies are nonresidential."

Coverage in the private flood market can go as high as $5 million for a residential property, including content replacement costs, according to Caitlin Connor, flood strategy coordinator with Johnson & Johnson Insurance in Tampa/St. Petersburg, Florida, who joined the NFIP's Kinerney in the June 2020 panel discussion on flood insurance. However, whether public or private, only about "15% of properties in the United States actually carry flood insurance. And when we think about 85% of properties across the country do not carry that protection, really you can be aggressive as you want in what you think the market would be in terms of potential for premium dollars."

Meanwhile, research released by the First Street Foundation in February 2021 showed that nearly 4.3 million residential properties in the U.S. are vulnerable to substantial flood risk that would be economically damaging. The average estimated annual loss for each of those properties is $4,694 per property, with an estimated cumulative total of $20 billion in annualized damage this year. That total annual loss is expected to grow by 61% over the next 30 years due to the impact of climate change to an estimated total loss of $32.3 billion, according to First Street Foundation.

Two properties, even if they are in different states but are located within a certain flood zone may be charged the same rate even though they have different flooding experiences and they are situated differently from a topographic standpoint.
Many properties under the current NFIP rating system are eligible for less than full risk rates. They include: properties built or substantially improved before the first FIRM was published in 1974; most properties newly mapped into a Special Flood Hazard Area on or after April 15, 2015, if flood coverage was purchased within a year of the mapping; and "grandfathered" properties that had coverage in compliance with a prior FIRM but were remapped into a different rate class or BFE.

Even with the new rating system, certain properties will continue to be eligible for reduced rates, at least at first. For instance, for properties "newly identified to be at high risk, for the first 12 months after the maps become effective, the [preferred risk] rates stay in effect if coverage is purchased during those 12 months. … Then the rates start to stair step up slowly over time," said Bruce Bender, with Resilience Action Partners, during a recent FEMA-sponsored webinar on the impacts of the new map changes and rating system.

Another way to lock-in rates for both pre- and post-FIRM properties is through grandfathering, Bender said. In both cases, continuous coverage is required for the old rates to stay effective once the new map changes go into effect. In other words, these properties must have a policy in place before the maps change. Eligible properties that are newly mapped into a higher BFE can grandfather the lower BFE for future rating, as well.

FEMA's intention for Risk Rating 2.0 is to start bringing insurance premiums for the NFIP up to the point where they better reflect the risk associated with each insured property. While many properties will see their rates increase over time, the increase is limited to 18% annually for any individual rate until the full rate is reached. The average increase is capped at 15% annually. Commercial structures in high-risk areas may see rate increases of 25%. In addition, certain secondary or vacation homes, will see rate increases of 25% until the full risk rate is achieved.

Homes with % increases in their flood insurance.

Texas	768,600	Mississippi	61,300
Florida	1,727,900	Louisiana	495,900
Oklahoma	13,000	Arkansas	14,400

Source: ValuePenguin

Paulo Cisneros
Personal Lines/ Commercial Lines Producer

Meet Our Representative

Paul has more than 12 years experience in the insurance industry and has been with ABM for the past 5 years. His specialty is helping General Contractors, Home Builders and Re-modelers secure the coverage they need. He also works with Personal Lines (Auto / Homeowners Insurance) and has proven to be a valuable asset to the agency. Paul is bi-lingual, speaking English and Spanish.

What Is Umbrella Coverage and Why Should Your Customers Buy It?

By Patrick Wraight

I came across this comment in a social media group that I subscribe to. Someone was lamenting that their personal umbrella premium went up. As I read the post, I noted that even with the premium increase, that person was paying a fairly reasonable amount of money for plenty of coverage. All in all, anyone that shops for umbrella liability (especially personal umbrella) policies should find that they are not very expensive and significant limits are available.

Have you ever wondered why umbrella policies can be less expensive? It has much to do with the reason that other insurance can be very expensive. It's the claims. Most primary policies (the personal auto and homeowners, for example) are priced in part based on the claim history for the class of insured and the policy type and limits. Umbrella insurance normally works in the same way, but the opposite direction. The lack of claims makes them less expensive.

Businesses often purchase umbrella liability. They might buy it because of a contractual obligation, or simply to get higher limits than are available in their primary liability layer. But why should individuals consider an umbrella liability policy? Should only those ultra-rich customers consider buying umbrella liability? What is an Umbrella Policy?

Contrary to the comments in the social media post, an umbrella policy doesn't cover damage to your umbrellas, but the image works. An umbrella is intended to cover a range of policies and exposures.
An umbrella policy first provides coverage over other lines of insurance. Umbrella policies provide coverage over all of these policies. You know that you need to examine and read the insurance policies that your clients have and those that they are considering to understand how their coverage might apply. We will pay damages, in excess of the "retained limit", for:

1."Bodily injury" or "property damage" for which and "insured" becomes legally liable due to an "occurrence" to which this insurance applies; and

2."Personal injury" for which an "insured" becomes legally liable due to one or more offenses listed under the definition of "personal injury" to which this insurance applies.

ABM Bad Halloween Joke Of The Month...

What do you get when you cross a vampire and a snowman?
Frostbite

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The first thing that we note about the insuring agreement is that coverage applies to damages in excess of the retained limit. This is telling us that this policy takes up coverage after a certain point above this retained limit as it is defined in the policy.

Why Buy an Umbrella Policy?

The simple answer to this question goes back to why we buy insurance in the first place. We buy insurance to protect assets that are at risk and that we cannot absorb those losses and maintain operations at their current level. That sounds like a business answer but consider a family or an individual like a business.

A family has a budget. There is money coming in and money going out for different things. There is money that goes out for regular expenses, such as a mortgage, vehicles, insurance and food. There is money that gets set aside for a rainy day, because the rain comes. There is also money that goes out for debt service and for future expenses, like college for the kids or retirement.

In making these budgets, families must decide what kind of losses they can absorb. That's where insurance in general and the umbrella policy specifically come into play. Someone should buy an umbrella policy to protect their assets from their liability exposures. Keep in mind that liability policies are designed to pay money that the insured becomes legally liable to pay. Without insurance, the insured has to come up with that money somewhere.

Who Needs an Umbrella Policy?

Anyone that has assets should want to protect them, including the one asset that we all have, but none of us can quantify, our time. The liability from an accident could easily extend beyond the limits of the primary auto policy. Once those limits are exhausted, the liability isn't just erased, the money has to come from somewhere. That could be a personal umbrella policy.

No two policies are the same so it's worth paying attention to the details. Without discussing specific details of policies I haven't read yet (but I am willing to read them), here are a few thoughts about what to watch for in an umbrella policy. Watch for a form-following umbrella. This is really what it sounds like. To be fair and to the point, the rise of excess policies has made form-following umbrellas a little less easy to spot. In short, a form-following umbrella will follow the exclusions of the underlying insurance policies. It should closely mirror the exclusions of the underlying insurance so that when a loss is covered on the underlying, the umbrella doesn't have an exclusion that applies.

Watch for the underlying insurance requirements. Here's where limits of insurance can turn around and bite the client. If they fail to maintain the proper amount of insurance, the umbrella may not cover the losses until the loss gets to a required level.

An umbrella policy is not just a requirement of the rich and famous, or big business. Find out whether someone needs it or not and for the money, but on the side of caution and get it.

For more information on Umbrella Insurance contact ABM Insurance & Benefit Services at 281-448-3040.

ABM Bad Halloween Joke Of The Month...

Why did the ghost go into the bar?
For the boos.

Medicare Changes for 2022 and Beyond

Annual Enrollment begins Oct 15- Dec 7. This is the time when Medicare Beneficiaries can join, add, change their Medicare Advantage or Part D plans with coverage beginning 1/1/2022.

Several changes are happening. Social Security is getting its highest Cost of Living Adjustment in 40 Years. The Social Security Administration (SSA) announced Oct. 13 that its annual cost-of-living adjustment (COLA) will be 5.9 percent, a boost to average retirement benefits of about $92 per month for individuals, starting in January. The 2022 COLA is the largest increase to Social Security benefits since the 7.4 percent hike that went into effect in January 1983. Until this year, COLAs have been modest, averaging a 1.65 percent increase annually over the past decade, with no gain at all to benefits in 2016. The increase that went into effect in January 2021 was 1.3 percent. "Today's announcement of a 5.9 percent COLA increase, the largest increase in four decades, is crucial for Social Security beneficiaries and their families as they try to keep up with rising costs," says AARP Chief Executive Officer Jo Ann Jenkins. "The guaranteed benefits provided by Social Security and the COLA increase are more crucial than ever as millions of Americans continue to face the health and economic impacts of the pandemic. Social Security is the largest source of retirement income for most Americans and provides nearly all income (90% or more) for 1 in 4 seniors."

Now for Medicare premiums and deductibles, they haven't released those yet, but they have a projection below:

Medicare Part A & B Premiums Increase in 2022

Medicare Part A premiums will remain at $0 for most beneficiaries. That's because most beneficiaries have a premium-Free Part A because they paid medicare taxes for at least 40 quarters (10 years of work), which is the benchmark that remains unchanged for 2022.

But for those who have not paid the required amount of Medicare taxes, Part A premiums will most likely increase. Those who have paid Medicare taxes for 30 to 39 quarters will likely see their Part A premium increase from $259 per month in 2021. And those with fewer than 30 quarters worth of Medicare taxes will likely see a jump from the current rate of $471 in 2021.

What is the 2022 Medicare Part B Deductible?

The estimated rate for the 2022 Part B deductible is $217 per year (up from $203 in 2021). This is an increase of $14 per year from the 2021 Part B deductible.

Premiums from Medicare part C (Medicare Advantage) and Medicare part D (prescription drug plans) are on an opposite trajectory. While Medicare pat A and part B premiums have historically gone up nearly every year, premiums for private medicare plans have been dropping in recent years.

Give Crystal Calaway a call in our Medicare department for any qestions you may have at 281-448-3040. She is here to help you and understand these new rules.

ABM Bad Joke Of The Month...

Do you want to hear a joke about paper?
No? Good because its tear-ible.

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Dear ABM, my family has been insured through ABM for several years now. After adding our daughter and her newly acquired vehicle, our premium doubled. We were prepared to leave ABM and seek help elsewhere until Maura Guevara saved the day. I became emotional once she shopped and found a policy for us with comparable coverage at a fraction of the price. I am truly grateful for her prowess and professionalism. Thank you so much!!!

-Margo S.

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IN THIS ISSUE:

Individual Health Insurance/ Affordable Care Act Update

Enrollment begins November 1 and ends on January 15th. This is the time frame when people can make changes to their existing plans or enroll if uninsured. Depending on the county, there will be more options both on and off the marketplace. The financial guidelines for the Federal Poverty Level will be released in the coming weeks. Letters are starting to be mailed out this week with renewal information for 2022.

ABM Referral Program

Be sure to ask ABM about our bonus referral program which rewards our clients who send us business with $25 Visa Gift card to use at your favorite store or restaurant.

www.getagreatquote.com

ABM offers $25 gift certificate for those who refer a client to us and they buy a policy with ABM.