

# INSURANCE UPDATE

JULY - SEPTEMBER 2016

*Auto-Owners*  
INSURANCE

LIFE • HOME • CAR • BUSINESS



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ISSUE...**

**UNIVERSAL LIFE INSURANCE**  
*flexible coverage with low cost*

**CUSTOMER CENTER**  
*save time and money*

**BUSINESS INSURANCE**  
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## Renting Out Your Home?

Have you tried to sell your home, but decided to rent it out instead? Or did you recently inherit your parents' house and now your sibling or child are temporarily living in it?

Whatever your situation may be, if you own a home and do not live in it, your homeowners policy may not cover damage from a claim.

Homeowners insurance policies are intended to cover residential homes that are occupied by the owner. If you own a home and you do not live in that home, the house, personal belongings and your personal liability arising from that location will not be protected under a homeowners policy. However, you can purchase coverage for these types of situations with a dwelling fire policy.

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# The Flexibility of Universal Life Insurance

Have you thought about purchasing both a permanent and a term life insurance policy to cover different financial obligations in your life? You don't need to do this if you purchase a universal life insurance policy.

What is universal life (UL) insurance? UL insurance policies offer flexible coverage for permanent life insurance with low-cost premiums. They provide term protection along with cash value.

The premiums can allow you to adjust how much you will pay each year (but you will need to pay the minimum premium to prevent the policy from lapsing). If the policy has sufficient cash value accumulation, you can skip a premium payment or payments. The potential cash value growth in a UL policy will vary depending on how the policy is structured and the interest rate that is credited. While the interest credited to the cash value on a UL policy can fluctuate, interest on a whole life insurance policy is usually locked in for the life of that policy. This could indicate that during periods of rising interest rates, UL policyholders may see their cash values increase favorably when compared to those with whole life insurance policies.

You have the option to borrow against this cash value as a loan or take a partial surrender. Death benefits can be increased (which are subject to insurability) or decreased at the policy owner's request. As with most carriers, there isn't an expiration date for UL. As long as there is enough cash value to support the cost of insurance in the policy, and the projected premiums are paid, the UL policy could potentially continue past the mortality table.

Some uses for UL policies are for final expenses, such as a funeral, burial and unpaid medical bills; income replacement due to lost wages to provide for a surviving spouse and dependent children; debt coverage to pay off personal/business debts; and key man insurance to protect a company from the loss incurred by the death of an important employee.



## Rental home CONTINUED

Each type of insurance policy is designed to cover a specific kind of exposure. If a claim occurs at a location with the wrong type of policy in force, you may not have the coverage you need. A person wouldn't expect an automobile policy to contain the proper coverage for a house. Similarly, a homeowners policy does not contain the proper coverage for a rental house solely occupied by someone other than the owner.

A dwelling fire policy is similar to a homeowners policy in that it will cover damage to the house, other structures like a pole barn, and your liability if somebody is injured on your property. However, a dwelling fire policy also covers your liability as a landlord, as well as reimbursement for lost rental income in the event a claim occurs where the home cannot be occupied for a period of time.

If you decide to rent out a home and become a landlord, or if you have experienced other life circumstances where a house you own is now occupied by someone other than yourself, ask us about a dwelling fire policy to ensure you have the coverage needed when a claim occurs.

# Customer Center: What's all the buzz about?

The Auto-Owners Customer Center website has a new and improved look! The new design is much easier to navigate and is compatible with nearly any device.

Whether you're operating a laptop, tablet or smartphone, it is Auto-Owners goal to provide an effortless experience for you. See for yourself by logging into your account or enrolling online today at [www.auto-owners.com](http://www.auto-owners.com).

You may be curious what benefits the Customer Center has to offer. Check out these popular items:

- View or print your bill
- Save a stamp and make your payment online
- Register for automatic payments via credit card or electronic funds transfer
- View activity on your billing account
- View or print your policy documents
- Receive a \$5 green discount when you elect to go paperless on qualified policies

These are only a few of the features that are intended to save you money and make your life easier. Auto-Owners values your business and aims to provide the appropriate resources for you to stay informed and keep it simple.

Contact our agency or Auto-Owners directly for more information on how to get signed up.



# Cybersecurity in the Age of Connectedness

With all the recent news about viruses, data breaches and other computer-related crimes, you may be wondering if you are adequately protected.

Many standard commercial property and commercial liability insurance policies have gaps that can leave your business vulnerable to cyberattack. In 2015, instances of cyberattacks on websites reached more than 1 million per day, with almost 75 percent of websites having vulnerabilities.<sup>1</sup>

Even if your company doesn't have a website, other types of cyberattack such as "spear-phishing" and "ransomware" can target your employees or company resources. What would happen to your business if you were to have a sustained shutdown in your website, payroll systems, point of sale system or computer programs?

Here are some steps you can take to protect yourself:

- Never share passwords, even among trusted employees.
- Always lock your computer when you are away from your desk or station.
- Always use "strong" passwords involving multiple letters, numbers and symbols.
- Retain only the minimum customer data needed to process transactions.
- Always keep firewalls and antivirus/antispam software up to date.
- Only download from trusted websites and sources.
- Don't use business computers for personal use.
- Don't click on suspicious emails or links.
- Don't enter unnecessary personal information onto websites.

If you still feel that you may be vulnerable, it would be prudent to hire a cybersecurity specialist, or contact your in-house IT department about other steps you can take to protect your business and your customers.

In addition, it is a good idea to discuss specifically tailored cyber insurance options with us. We can help you select appropriate coverages to fit the needs of your business and give you an extra layer of protection in case the worst happens to you.

1. Source: Symantec Corporation

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