

## How Much Cash Do You Keep in your Home?

Did you know that most homeowner policies only cover \$200 in cash in the home? Also covered under this heading is bank notes, gold bullion, coins, and medals. That's right, if you carry more cash than \$200 or have a lock box in the home with more than \$200 in it, it will not be covered if there is a loss in the home (fire, vandalism, theft – to name a few).



How much "technology" do you have in your house? Have you accounted for all your TV's, computers, home theatre set up, stereo's, etc. Are you covered with your current homeowner's policy????

Did you also know that in-home businesses such as Avon, Mary Kay, etc. generally carry no coverage unless specifically endorsed to do so?

Did you know that generally a piece of jewelry is only covered for \$499 without additional coverage?

If this concerns you, please contact our office so that we may review additional coverages with you.

(These amounts are the generally accepted amounts. Your policy may have different actual values.) Check out your policy. Please don't assume - we all know what happens when we

**A - S - S - U - M - E !!!**

## ATTENTION TENANTS

Are you aware that your personal belongings are not covered without a policy?

If there is a fire or loss in the apartment building, if any of your personal items are stolen, this is not covered by the building owner.



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While working for an organization that delivers lunches to elderly shut-ins, I used to take my 4-year-old daughter on my afternoon rounds. She was unfailingly intrigued by the various appliances of old age, particularly the canes, walkers and wheelchairs. One day I found her staring at a pair of false teeth soaking in a glass. As I braced myself for the inevitable barrage of questions, she merely turned and whispered, "The tooth fairy will never believe this!"

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### Answers to page 2

chair - relax, let us do the work!  
mother/child - Daycare provision is not covered under H/O policy  
dog - Does your H/O policy cover Fido? Ask us.  
camera - Home business must be specially "endorsed"  
cash - Coverage for \$200 only  
auto - We can save you money!  
boat - Only covered up to \$1,000 on most H/O policies. Recommended to carry a separate policy.  
pool - Must be enclosed by fence with locked gate  
computer - Special coverage can be purchased to broaden policy coverage  
motorcycle - Progressive is one of the top carriers for these!  
ring/jewelry - Covered up to \$1,000 on most H/O policies  
medicine - Hal can help with donut hole coverage

# Ferrum Financial Forum

Winter, 2009

## I TOLD YOU SO!!!

In past newsletters, and in all the Medicare Seminars I have done since the inception of Medicare Part D and the explosion of Medicare Advantage plans, I have fussed, fretted and fumed over Medicare Advantage and the problems I believed it would cause you, my clients. To be very, very honest, I don't take any pleasure in being right on this issue.

As most of you have probably heard on radio & TV, the proposed healthcare reform legislation, which actually is health *insurance* reform legislation, has as a central component, cutting several hundred billions of dollars from the Medicare Advantage program. However you feel about these cuts, they are in the future. What I want to discuss now is the changes in Medicare Advantage and Medicare Supplement policies NOW.

As many of you know, Wellcare, Coventry, Health Net, Instill, and Aetna in most areas, will NOT be renewing anyone currently enrolled in their Medicare Advantage plans, effective January 1, 2010. What you may NOT know is that ALL PFFS (Private Fee For Service) plans will end effective January 1, 2011, except for some VERY, VERY rural areas. The PFFS plans are almost exclusively the plans in which people have enrolled up to this point. If you remain enrolled in a PFFS plan in 2010, your plan will migrate you into a PPO or HMO plan in 2011. As long as your doctor is part of their PPO you

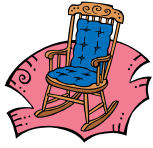
should be OK, EXCEPT that it will probably cost you almost as much as a Medicare Supplement without the guarantees a Medicare Supplement gives you. And I know we all have heard such wonderful things about HMO-type plans.

If you, or someone you know is being disenrolled effective January 1, 2010, you and they have several options. You can move to another Medicare Advantage plan, only to have to do this all over again next year or you can return to a Medicare Supplement now. Some companies are offering you the opportunity to return to a Medicare Supplement this year on a guaranteed issue basis. That means you will NOT have to pass underwriting and possibly be turned down for health issues AND you will not have your premium increased on account of health issues. They will treat you just like they did when you turned 65, but will charge you the appropriate premium for your current age. (You didn't really think they were going to charge you the 65 year old rate now, did you?) We've got several companies that we can use if you want to move back to a Medicare Supplement now. But PLEASE save the letter you got telling you they were disenrolling you. IT'S MANDATORY that you be able to produce that letter!!!!!!!!!!!!!!!

Now just in case you thought that you've heard ALL you can stand, I have good news and bad news. The good news: President Obama is proposing a \$250 bonus, the bad news: You

(Continued on page 3, column 1)

Match the phrase with the picture



Special coverage can be purchased to broaden policy coverage



Does your H/O policy cover Fido? Ask us.

Relax, let us do the work!



We can save you money!



Progressive is one of the top carriers for these!



Home business must be specially "endorsed"



Coverage for \$200 only



Covered up to \$1,000 on most H/O policies

Hal can help with donut hole coverage



Must be enclosed by fence with locked gate



Daycare provision is not covered under H/O policy



Only covered up to \$1,000 on most HO policies. Recommended to carry a separate policy.



Answers on page 4

**DO-IT-YOURSELFERS**

Many homeowners are not aware that some home insurance policies do not cover for big DIY (Do It Yourself) disasters. However, most insurers do offer an accidental damage add-on coverage at minimal extra cost and can provide peace of mind.

The top 5 DIY disasters:

1. Spilling paint on the carpet
2. Putting your foot through the ceiling when working in the attic
3. DIY shelves falling down and breaking expensive items
4. Drilling into a water pipe
5. Ladders falling over and causing damage

Done in the right way, DIY can have enormous benefits, both for the house and for the people living in it. But accidents do happen and we recommend people take a look at their policies before embarking on projects. Having accidental damage cover is an essential item in any DIYers toolbox.

Current Age	Hospitalization Rate over the next 12 months*
70-74	1 out of every 5.2 people
75-79	1 out of every 4.5 people
80-84	1 out of every 4.0 people

\* Source: Milliman, Inc. Health Cost Guidelines -

Ages 65 And Over, and actuarial judgement

I TOLD YOU SO!!! (Continued)

might get it, but if you do, it's to make up for the annual Cost Of Living Raise you are DEFINITELY NOT going to get. Those of you already receiving your Social Security checks and having your Medicare Part B premium taken out of it will continue to pay \$96.40 per month in 2010. EVERYBODY else, especially including those enrolling in Medicare Part B in 2010 will pay \$110.50 per month in 2010!!! That is, of course, unless you have an income of over \$85,000 in which case you'll pay \$287.30 or more depending on your income. To quote CMS, the increase is "due to POSSIBLE increases in Part B costs." The Part B deductible is also going up from \$135.00 to \$155.00 (We're sending you a copy of the 2010 deductibles with this newsletter.) If you're downloading this newsletter, also look for the document entitled "Medicare Deductibles for 2010".

I hate to say it, but this year there's actually more. Effective June 1, 2010, there will be some major changes in Medicare Supplements. Plans E, H, I and J will be eliminated and barred FROM FURTHER SALE!!! There will also be two new plans introduced, M and N, as well as a slightly changed plan G. You will not be required to change your coverage if you currently have a plan E, G, H, I or J. They will continue to work just as well as they ever have. My recommendation is that you NOT change to one of the new plans for at least 1-2 years. My reasoning for this is the same as it was back when companies re-introduced plans H, I & J in late 2006 & 2007 after the drug coverage was stripped from them: They have no claims history and therefore will be offered at EXTREMELY low rates. However, when clients who DO buy them start to have claims, their rates will go up, way up. Avoid the new plans like the plague.

I know that this is a lot of change to absorb all at one time. I know it can be very scary. If you have any questions, call me. I'll answer any question you have, whether you are a client, a former client, or somebody else's client.

No obligation, no pressure, no bull!!!

**THE NOTHING-TO-DO-WITH-INSURANCE CORNER**

This is going to be a new but not every issue feature of our newsletter. In it we're going to pass along tips that can help save y'all money in areas that don't have anything to do with insurance. If you've got a tip, let me know & we'll pass it along and give you the credit. If you've got an idea for a better name for this column, let us know that too!

Anyhow, what I want to share in this issue is a way to possibly save 20-30% of your monthly electric bill. Most folks in our area have electric hot water heat. What they may not realize is that an electric hot water heater uses more power than any other appliance, except your A/C. Most of us don't use hot water after we go to sleep, and don't need it again until we wake up and get ready for the day. In addition, since many families have two wage-earners, they don't use a lot of hot water during the day either. Set the timer to turn off at night, and to come on again about 30 minutes before your alarm clock goes off. Off again when you head for work, and back on just before you get back home. Oh, by the way, it has a manual On/Off switch you can use to turn it on if you need hot water during a time when you normally have it off. Deena & I installed a timer on our water heater and have saved about \$25-\$30 per month over the last year. The timer only cost us about \$60.00 at Lowe's, and I put it in myself. (**DON'T TRY THIS YOURSELF** -I've worked in the electrical field for about 30 years before I started in this industry). Since we've saved over \$300, I'd say the timer's paid for itself. — Hal

P.S. If you need extra trippers (the little things that make it turn on & off automatically) call me and I'll let you know where you can get them because Lowes doesn't have them & can't get them!!

**Don't forget to send the blue cards back with your prescriptions on them so we can advise you on the best prescription plan for you for next year.**