

# Insights & Updates

New Jersey | Summer 2024



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## Protecting your home value

Hiring a contractor comes with several risks, including subpar workmanship, delays, and budget overruns. It's crucial to conduct thorough vetting and research beforehand, and knowing what is required in your state.

In New Jersey, all home-improvement contractors require commercial general liability insurance with at least \$500,000 coverage per incident. Home-elevation contractors have been more common since Superstorm Sandy; they are required to have additional insurance, including cargo insurance, control insurance, commercial general liability, and commercial auto liability.

Here are seven fundamental recommendations to consider when hiring a contractor for your home repairs:

**No. 1: Seek recommendations.** Tap into your personal network. Family, friends, co-workers and neighbors can be excellent resources for finding experienced, professional and reputable contractors.

**No. 2: Request a written estimate.** Any verbal offers or promises must be backed by a written estimate, detailing the breakdown of costs for labor and materials. Contractor estimates are typically free, so contractors charging for an estimate should be avoided.

**No. 3: Gather multiple estimates.** Get at least three quotes and references from previous clients: then, compare all your options, looking at the price and quality of work.

**No. 4: Verify license and insurance.**

Ensure the contractor is legally licensed, bonded and carries adequate insurance, including workers' compensation and general liability insurance. Request to see certificates of insurance as proof and have our agency review them, too.

**No. 5: Check their track record.**

The Better Business Bureau can reveal if complaints have been lodged against contractors; online reviews can reveal grievances and insight into their professionalism.

**No. 6: Resist large upfront payments.**

A common practice is to pay a third of the total cost upfront. Demands for full payment before work commences is a red flag.

**No. 7: Meticulous contract review.**

The contract should detail the scope of the work, timelines, payment schedules and warranty details. It should include a hold-harmless clause to protect you against liabilities arising from the contractor's operations, and it should name you as an additional insured. Get a copy of the certificate of insurance—and forward it to our agency, so we can review it. Additionally, an attorney should review any contract you receive before you sign it.

To safeguard your house's value, selecting the right contractor is paramount.

Before you do any home improvement, give our agency a call. We can review your current policy and offer recommendations to help cover the new additions and possible new value of your home.



# The pool is open—but is it safe?

**Per the CDC,**  
a four-sided isolation  
fence around the pool  
reduces children's  
drowning risk by **83%.**

**Call us**  
to recommend  
a higher  
**limit of liability.**

A personal  
**umbrella policy**  
can provide coverage  
if the homeowners  
**limits are**  
**exhausted.**



Summer is here, meaning if you own a pool (or have plans to build one), you probably want it open for your family and friends to enjoy. Having a pool takes quite a bit of upkeep, between clearing out debris, making sure the water is clean, and checking for damages. You should keep in mind what pool ownership means in terms of insurance, whether you have just built a pool, if you owned one for years, or are still in the planning phase.

Liability is the first thing you should keep in mind when it comes to pools. Pools are what is known as an “attractive nuisance,” meaning that children are curious of these nuisances, and they may wander over to them and risk injury or even death. For injuries on your property, limits for liability on a homeowners policy typically begin at \$100,000, but should be substantially be increased.

Additionally, in most towns and cities, you will have to build a fence or enclosure around the pool or the property; sometimes both. If you already have built a fence/enclosure, make sure it has a self-locking gate and that it's suitable to keep trespassers out: if it isn't, your insurance company may exclude liability coverage for your pool. Even

if you aren't negligent, you can still be found liable for unfortunate incidents in your pool.

As for your homeowners insurance, be sure to review your policy to make sure that your pool is included—we can help with this. When it comes to above-ground pools, typically, they are considered personal property; for in-ground pools, this would be covered under the “Other Structure” section of your homeowners policy. Be sure the limit under “Other Structures” (also known as “Coverage B”) is adequate to replace the pool, and any other structures on your property, including, for instance, a paved driveway.

Furthermore, while homeowners insurance may cover damages, policyholders still have to maintain regular upkeep for the pool: damages caused by neglect are very unlikely to be covered.

Pools require a lot of work and can present opportunities for damages and injury. However, with the proper coverage, right safety precautions and due diligence, a pool can be a great thing for you, your friends and your family to enjoy.

# Before you get around this summer ...



Don't get bugged driving up and down the same old strip. If your car has been featured in a Beach Boys' song, it could be considered a classic car—provided it has its original design and specifications. This means you could be driving around in style this summer. However, did you know that style could mean that you need an auto insurance policy designed for classic cars?

Most insurance companies define a classic car as being over 25 years old. However, some insurance companies can define a classic car as at least 10- or 15-years old; if you have a car that's getting up there in age, give our agency a call, we can help you determine if you need a specific insurance policy to cover it.

This type of insurance differs from a standard auto insurance policy because it takes into consideration the idea that it won't be driven around as frequently as your day-to-day vehicle. These policies recognize that there may be little to no depreciation for a classic car, and that replacement parts might be hard to find.

Typically, these insurance policies will

cover you if your car is stolen, but they might have stipulations about how often you drive the car, or the events you attend or parades that you may participate in with your car.

## **What about other summertime fun?**

Another vehicle that is ubiquitous in the summer is the convertible. Before you burn some rubber, consider the insurance implications. While they are the same as a hard-top car—collision and comprehensive—convertibles tend to be more expensive to purchase, and they often are the target of theft—so the insurance coverage and premiums may be more expensive.

Convertibles have unique safety features. For example, they tend to be heavier compared to hard-top cars, and heavier cars tend to be safer. Most convertible manufacturers have installed A-pillars on both sides of the windshield, or they have installed roll bars to offer additional protection should the convertible be involved in a rollover crash.

Cruisin' is part of summertime fun. You can make it safer with the right insurance

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***Cruisin' is part of  
summertime fun.  
You can keep it  
fun with the right  
insurance policy.***

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policy. If you've purchased a new car, a new-to-you car, or even a classic car, give our agency a call. We can review your policy, identify coverage gaps and maybe even find you some discounts. sued (e.g., if you own property, have significant savings or other assets, have an inexperienced driver in your household, or own things that can lead to lawsuits such as pools, trampolines or guns.)

If you are thinking of reducing your coverage, call us. We may be able to help you find a better solution.



# Having a safe BBQ with the right coverage

Oh no, not the macaroni salad! Giving your guests food poisoning the guests at the BBQ you host seems like a nightmare, but you won't have to worry if you plan ahead, and you make certain insurance and safety considerations prior to the event.

Make sure to have homeowners or renters insurance liability coverage, which covers bodily injury damages and legal fees, and you can even secure umbrella coverage, which should provide additional liability coverage beyond what's included in these other underlying policies. Review the policies, including their limits and exclusions, to make sure they have medical payments coverage, which can provide for the medical expenses of guests injured on your property regardless of who is at fault.



As general practice, to prevent food poisoning or similar issues at your BBQ, make sure you and others who are cooking the food are adhering to safe food-handling and preparation practices to prevent such incidents in the first place. This includes proper food storage, cooking meats to safe temperatures and avoiding cross-contamination.

Be sure to maintain your BBQ equipment, like your grill, and only use them outside, well away from the home, any decks or outside furniture. Clear them of any old fat or grease buildup and

keep pets and children away. Never leave a grill unattended, and keep intoxicated guests away from grills—some states have social-host liability laws that could hold a host responsible for accidents caused by intoxicated guests.

If something unfortunate should happen, try to document everything you can, including what happened, what was served, how it was prepared and any communications with the guests about the incident. If an event such as this occurs, contact our agency right away so that your insurer can prepare for your defense.

## News from our agency

Summers are meant to be enjoyed—save yourself from stress

Summer is the season when many have the free time to do what they enjoy; hosting barbeques, lounging by the pool, taking classic cars for a spin or working on home improvements. However, all these things should be enjoyed safely, with coverage that suits you and your needs the best.

Even in things we enjoy the most, there can be risks. While that doesn't mean you shouldn't have fun, it means that you must be extra diligent for the unexpected.

Do you have questions about how your insurance policies might react in different scenarios? Contact our office today so that every day feels like a summer vacation.

