

## **Is It Time That You Had an Insurance Check-Up?**

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When it comes to handling probate or Trust administration, many estates include the asset of a home and an automobile. In many situations, the administrator of the estate will take over management of the assets well before the family member dies. When it comes to managing another individuals estate, whether as Durable Power of Attorney, Personal Representative or successor Trustee, there are some important questions that need to be asked and addressed when it comes to reviewing insurance.

1. When were the home and auto policies last reviewed? If the home and auto policy has not been reviewed in the last year, then it has been too long. Every insurance review for home, auto, life, or Umbrella policy is free, take advantage of it.
2. If the home is no longer owner-occupied (owner-occupied means that the persons named on the insurance policy reside in the home) and is vacant beyond sixty consecutive days, the insurance company will not be held responsible for any loss. Additionally, after the home is vacant for more than 30 days, many policies will provide that vandalism and malicious mischief type losses are excluded or can be denied. The language about vacancy and how vacancy is defined is in every home insurance policy and it needs to be reviewed. If you feel that the insurance policy is overwhelming, you merely need to pick up the phone and contact the agent and have them advise you of the vacancy terms of the policy. If you have a family member that has moved out of the home and currently resides with you, in assisted living or a nursing home, it is important that you contact the agent immediately and make them aware of this change in circumstances. Although the premium on the home may increase, it will continue to be covered and protect the home value and the contents in the event of a claim.
3. Is the homeowner an annual snowbird? Many individuals leave for warmer temperatures towards the end of each year. Unless the homeowner occupies the home for at least six consecutive months of the year, the home is considered vacant. If the homeowner is a snowbird, the agent should be advised of the months that the homeowner is going to be absent from the home in case a rider or other changes need to occur on the policy. If Michigan is a second home, make sure that it is listed as a seasonal home and that as a second home it is insured for that specific coverage.
4. Is the information that was provided when the policy was set up outdated? If the homeowner has not reviewed the policies in the last year or in many years, there is a good chance that the coverage on the policies is outdated. Make sure that the insurance value on the home is high enough to cover replacement cost, it's contents as well as any other expenses that may be needed if the homeowner finds himself removed from the home for any reason.

Additionally, make sure that the liability limits on the home and auto's are greater than the homeowner's current net worth. If the homeowner has maxed out his liability limits on the policies, consider a personal Umbrella policy to cover higher liability limits.

5. Has the home been transferred into a Living Trust? If the home is in a Trust, the insurance company needs to be notified that a deed has been filed making a Living Trust the owner of the home. The insurance company will merely designate the Living Trust as an additional insured. In the event of the homeowner's death, the successor Trustee will be able to work with the insurance company on either terminating the policies or resolving any claims that may have occurred.
6. What is the status of each vehicle? In many situations an elderly family member has a vehicle they no longer drive, but they are allowing someone else to use it to get them to and from the grocery store, church and/or doctors appointments. If you have a parent that owns a vehicle and no longer drives and a family member is using it to transport them to and from such appointments, you need to contact the insurance company and list the person transporting them on the policy as a driver.
7. What happens if my driver's license expires and I am no longer driving? In many married situations one of the spouses is driving and the other spouse has let his or her license expire. Please be aware that if you let your license expire your automobile policy may be cancelled for failure to maintain a current license. The correct way to handle this issue is to merely go to the Secretary of State before your license expires and get a simple Michigan Identification Card. If you let your license lapse, the current technology used will alert the insurance company that the driver's license has expired and the insurance company will automatically cancel the auto policy.
8. If a family member has died, will their auto policy continue? If a family member passes away their coverage will typically continue to the end of their term. When that term ends, the auto policy should be cancelled and the vehicles insured properly with the beneficiary that is inheriting the vehicle. Remember, if the named insured is deceased, the policy should not be active past their ending term date. Additionally, if the insured is deceased and the car is being stored, consider contacting the insurance agent to place the vehicle in storage to reduce the premium.

The contents of this article was provided with the support of Farm Bureau Agent, Angela Shannon. For more information on issues regarding your insurance, if your insurance is not providing you with the necessary coverage you need or if your agent is not providing you with the necessary customer service, please feel free to contact Angela Shannon at (269) 381-2311. Her office is located at 4225 West Main Street, Suite F, Kalamazoo, Michigan 49006 or you can visit her website at [www.angelaFBins.com](http://www.angelaFBins.com).