

REST INSURED



BY JEFF GELINEAU

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The Club's Auto and Home Insurance Partner



'You Are Hereby Liable'

The words themselves can send chills down your spine.

To be responsible for the injury, death or damages to another person is a great burden. Anyone who owns a home, drives a vehicle, operates a business or engages in any number of normal pursuits faces this liability exposure. If one is proved liable for an accident, the consequences can be devastating financially unless you are properly protected. Wealthy individuals face a disproportionate amount of exposure because they often own multiple homes and automobiles, investment properties, private aircraft and boats.

What's even more startling is that statistics show that many high-net-worth individuals still carry low liability coverage in their personal insurance. Why do even the most successful people do this when it obviously puts their wealth at risk?

The answer may lie in three factors.

One is that people hold erroneous beliefs and misconceptions that lead them to carry lower limits. Second, there is even greater confusion about how the legal system works and what happens in the majority of liability cases. And third, clients who deal with mass-marketed insurance companies do not get access to the higher policy limits offered by specialty insurers.

Erroneous Beliefs

Even the savviest among us sometimes gets bad information, and the subject of liability is no different. Some believe there's a correlation between the size of judgments in liability cases and the amount of liability insurance carried by a defendant. There isn't, necessarily.

In 2005, Lane McVicker LLC conducted a study of New York personal injury cases to determine if there were indeed some correlation between judgments and insurance coverage. Although the study was small in scope and did not count medical malpractice cases or instances in which private settlements were made, it found no correlation between judgments rendered and the amount of liability insurance carried.

Understanding the Legal System

If you want to plan for your liability exposure, you need to look at the realities of the legal system.

The settlement amounts of most liability cases are unknown because most cases never make it to a jury or bench trial. Law firms specializing in these cases estimate that as few as two percent of them ever go that far. After the litigation process starts, most cases are settled through mediation, and the amounts agreed upon do not go in the public record. The insurance companies who pay out those settlements are not inclined to disclose the amounts themselves. Even in cases that go to a full trial, the amounts of the judgments are not always made public. The public record is not a reliable

source to determine the amount of liability coverage they should carry.

Yet even if the legal system cannot help us determine proper policy amounts, it can dispel certain myths. The biggest of these is the one about how much information a plaintiff's attorney is allowed to find out about a defendant's net worth. This is probably the most misunderstood part of the whole process. Many people believe that financial records can be subpoenaed to see if the individual is worth going after. This is typically not the case. In most states, what the attorneys can ascertain is the policy limits of the individual's liability policy.

So when can a court go after records for the defendant's total net worth? If a case goes to full trial and a judgment is rendered – and if that judgment exceeds the policy limits of the defendant – then the court can go after the defendant's financial information. Jurors in a trial do not know the policy limits of the defendants. In a jury trial, they base awards on the damages incurred by the plaintiff, not on insurance policy limits.

A Good Agent

Most mass-marketed insurance companies (like State Farm, GEICO, etc.) often don't have the ability to address all of your insurance needs, therefore leaving you open for exposure. Independent agents can help assess your risk tolerance and help figure out coverage amounts that will best serve your needs.

We sell virtually every type of insurance, so even if your needs don't fit into a "cookie cutter" box, we can find a solution that serves you.

It's best not to look at insurance as an expense but as an investment in liability protection. That said, you don't need to overpay for insurance. Umbrella and excess liability policies are extremely cost effective for the coverage obtained.

Feel free to call our agency if you have any questions about what your policy covers, would like to know what it would cost to buy an auto or homeowners policy through us, or would like a question answered on any type of insurance.

United Agencies is the Club's Partner in helping members with their home and auto insurance, and related products. We specialize in creating personal relationships with our customers, and serving their needs in a prompt, efficient and friendly manner.

Call us today at (888) 801-5522. United Agencies Burbank. (CA License # 0252636.)

Have a question? Is there something about Insurance that you've always wanted to know, but were too ashamed to ask? Maybe something that you've just always been curious about? Feel free to send me an email at jgelineau@unitedagencies.com, and I will try to answer your question in one of our monthly columns.

Be safe and have fun!

Call United Agencies Burbank today at (888) 801-5522.

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LAFD HISTORICAL SOCIETY

Parade Is Now a Festival

Annual St. Pat's Parade downtown has been turned into St. Patrick's Day Festival at LA. Live.



The Office of Councilman Tom LaBonge, Club Member, is announcing that the annual St. Patrick's Day Parade downtown has been reduced for 2010. It has morphed into a St. Patrick's Day Festival at L.A. Live, near the Convention Center.

In a statement, his office said: "Due to the seriousness of the City's current fiscal situation, we have reduced the annual St. Patrick's Day Parade and celebration for 2010.

"Instead of a parade through downtown, there will be a St. Patrick's Day Festival at L.A. Live! on Wed., March 17, from 11 a.m. to 3 p.m. I hope you'll join us for this great event, which will be a benefit for the Los Angeles Fire Department Historical Society."

Complete details of the festival were not available at press time. Go to www.lalive.com for more information closer to the event date.



Last year, The Town Crier made his appearance.



Last year, vehicles from the LAFD Historical Society and Museum.



Last year, Mr. L.A., Councilman Tom LaBonge, Club Member (right), rode his bike during the parade.

LAFD, LAPD

The Bald and the Beautiful

Two fire stations will be used for the St. Baldrick's head-shaving fundraiser against childhood cancers.

On Sat., March 20, Los Angeles City Fire and Police personnel – and other City Employees, too – will participate in their seventh annual combined St. Baldrick's event. Participants, or "shavees" as they are known, collect pledges from friends and family in exchange for shaving their heads. The bald heads signify solidarity with child victims of cancer, who often lose their hair while undergoing treatment. All money raised goes to the St. Baldrick's Foundation and is distributed to doctors and other researchers on the front lines of the war on childhood cancer.

The locations (same as last year) are: Fire Station 81, 14355 Arminita St. in Panorama City; and Fire Station 112, 444 S. Harbor Blvd., Berth 86, in San Pedro.

The event features a free pancake breakfast, a blood and bone marrow drive, childwatch registration, and more.



From last year, Dustin Bulmer, Firefighter 89A, with Joanne Diede.

Participants and helpers are needed to staff this event. If you are able to help, please contact Lt. Greg Doyle at (818) 634-6127; Firefighter Danny Wu at (626) 590-6240; or LAFD Engineer Sean Kennedy, (626) 664-8711. If you would like to be a "shavee" or you are interested in pledging, you can sign up at www.stbaldricks.org.

St. Baldrick's Info

- Who:** LAPD and LAFD Personnel (all are welcome, though)
- What:** Fundraiser for Childhood Cancer Research
- When:** Saturday, March 20, from 8 a.m. to 3 p.m.
- Where:**
- LAFD Fire Station 81, 14355 Arminita St., Panorama City; and
 - Fire Station 112, 444 S. Harbor Blvd., Berth 86, San Pedro.
- Why:** To raise money to fight childhood cancer
- How:** Sign up or donate at www.stbaldricks.org. Click on "Find an Event," and locate Los Angeles, Fire Station 81 or Fire Station 112.

For more information:

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