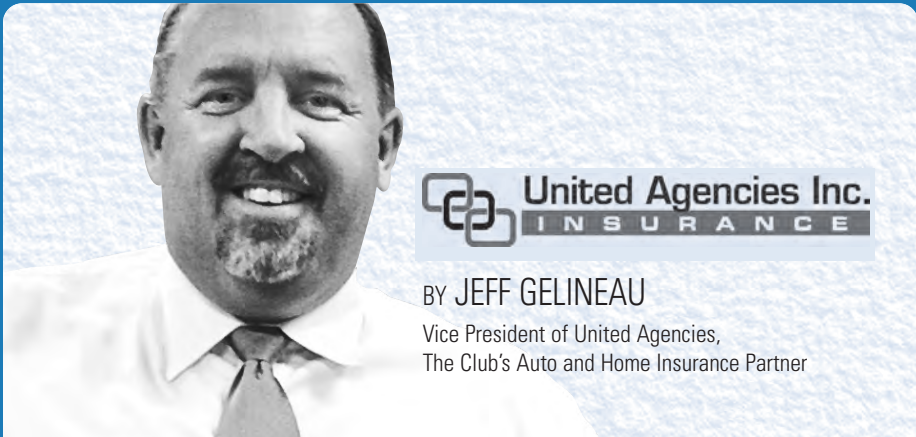


REST INSURED



United Agencies Inc.
INSURANCE

BY JEFF GELINEAU
Vice President of United Agencies,
The Club's Auto and Home Insurance Partner

How to Insure Rental Properties

With the continued downtrend in property values, there are several really good opportunities available in Southern California. If you have planned carefully and saved, this might be an ideal time to invest in a rental property that can generate income for you in the future. While this type of investment is often a great idea, it's important that you properly protect your investment with the right insurance coverage. Before you give the keys to your first tenant, make sure that you have properly addressed your insurance. Having a home owners policy for the rental property will not be sufficient. A landlord's policy will probably be more expensive than your homeowners policy, because it takes into account the fact that tenants are not a careful with the property as the owner.

When it comes to insurance for rental properties, one common mistake people make is to carry only fire insurance. While this is a minimum, you really should consider carrying broader coverage. The more comprehensive policies cover the contents of the building, such as furnace, air conditioning, tools, and landscaping. The majority of policies do not cover tenant's possessions. If you rent the house unfurnished, this can reduce your insurance policy, since it doesn't need to cover the costs of the furnishings.

Often policies do not cover the appliances that are installed at your rental property. Check to make sure that your policy does, or if it doesn't, inquire about a separate appliance policy if they are valuable. Don't forget about earthquake coverage also. If you are depending on this income to supplement your retirement, you will want to ensure that it is protected against any calamity.

For rental properties, another major consideration is liability insurance. This includes accidents on your property and protection against being sued. Be sure that your policy includes full liability coverage. This type of coverage is extremely important, since it covers your legal costs if you

are sued in a personal injury lawsuit. Landlords are especially vulnerable to these types of lawsuits, since tenants can ultimately blame them for anything that goes wrong on the property, from a loose step that causes a fall, to a faulty hot water heater that scalds someone in the shower. In addition to personal injury, your liability policy should also cover claims of libel, slander, discrimination, invasion of privacy, and unlawful eviction.

Remember that liability policies cover the legal costs only, not any monies awarded to the injured party in a lawsuit. But, legal defense costs (generally attorney's fees) are often more expensive than the final award for damages. You should buy as much liability insurance as possible, so even if your policy is limited to \$500,000, talk to your agent about additional limits available through an umbrella liability policy.

One more item of concern is loss of rents coverage. If your rental property is damaged so severely that it is uninhabitable, you cannot collect rent until it is repaired and reoccupied. Make sure that your policy includes loss of rents coverage sufficient to provide you the full amount that you would normally collect for monthly rent. You should plan on having at least 12 to 18 months' worth of coverage, as rebuilding can take a while. Generally, most policies provide 10 percent of the insurance coverage on the building as a limit for loss of rents. (For example, if you were insuring the house for \$400,000, then you would receive \$40,000 for loss of rents.) If the house rents for \$2,500 a month, then \$40,000 would provide enough coverage for 16 months. Sometimes a house could take two years to be rebuilt, so be sure that you have purchased enough coverage.

Feel free to call our agency if you have any questions about what we can do for you, would like to know what it would cost to buy your insurance through us, or would like a question answered on any type of insurance.

Be safe and have fun!

About United Agencies

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.

Check out our City Employees Club page on the United Agencies Website at www.unitedagencies.com/cityclub. This website lists the upcoming visits we'll be making to City Department meetings where you can ask us any question in person, and get an instant quote!

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.

PUBLIC WORKS

Good Employees At Hyperion

Sanitation treatment plant hosts end-of-year employee recognition event.



Story and photos by Tanya Edwards,
Club Counselor

On Dec. 7, the Hyperion Treatment Plant held its annual employee recognition ceremony. The event took place at the plant.

Matt Poire was the Employee of the Month for October. For November, the honor went to Andy Bobchalk, Mike Girouard and Carvellia Woodward.

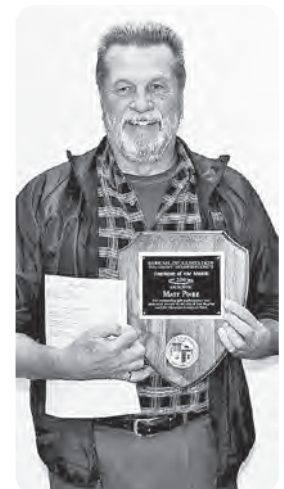
Thanks to Marcus Lyons, Acting Sanitation Manager I, for his assistance.



With Ollie Veasey, Club Member, is honoree Obi Quevedo.



November Employees of the Month, from left: Andy Bobchalk, Mike Girouard and Carvellia Woodward.



October Employee of the Month Matt Poire.



Maintenance Department employees and management created a great time and a winning event.



Employees got to spin a wheel, made by the Hyperion employees, for cash and prizes.



At the employee recognition event.



With Ollie Veasey is honoree Jose Rizo.



With Ollie Veasey are honorees Brandy Blue and Dennis Walker.



With Ollie Veasey is honoree Dennis Perkins, Wastewater Treatment Mechanic, Club Member.



Games, gifts including a Kindle Fire, Club hats, movie tickets, tool kits and cash helped make the event a success.