

E-BOOK

INSURANCE MADE EASY



ALLIANCE
INSURANCE
SERVICES



MAKING THINGS SIMPLE

Insurance doesn't have to be complicated.

I know that goes against everything you've been told. On one end you're told that all that matters is price, and the rest you shouldn't worry about. On the other you have the idea that insurance is very complicated and only by using a tried and true agent can you get the best policies possible.

As usual, the truth is somewhere in the middle. Let's see why.

A GOOD AGENT SHOULD EDUCATE

Gone are the days when a consumer had to trust the word of a specialist and never know if they were being honest or not. With the internet, anything can be researched, explored, or investigated to fact-check or learn for oneself.



At Alliance, we pride ourselves as being educators as much as insurance agents. We want our clients to know as much as they desire to, and give information out freely.

The following pages will give you simple, easy to understand guides on Homeowners, Auto, Umbrella, and Life insurance.

If something peaks your interest, or you want more information, just reach out to us. We're always happy to answer questions, get better answers, or delve deeper into a topic.

AUTO INSURANCE

Auto insurance was the first product we ever offered. We know it better than just about anything else we do, and we do it better than just about anyone else.

The Basics you need to know are:

Liability Coverage - Covers you from damage in accidents YOU cause, including legal or medical damages.

Other Than Liability - Covers you from damage in accidents you DON'T cause and damage you cause TO YOUR OWN VEHICLE.

YOU'RE AT RISK EVERY SINGLE DAY YOU GET IN YOUR CAR.

Liability pays for the damage you do to someone else in an auto accident. It pays for both the vehicles and any personal injuries in the accident, the combination of which can add up rapidly.



Most vehicles now are more expensive than they have ever been, and when you consider the cost of luxury vehicles and especially the cost of hospitalization, a common auto accident could end up costing in the tens to hundreds of thousands of dollars.

That's why we always recommend at least \$100,000/\$300,000 of coverage here in North Carolina, or \$100,000 per person, \$300,000 per accident. While this may seem like a lot, if you are involved in a bad accident or a multi-car accident and you are the last vehicle, you can exceed this amount in a flash.

AUTO CONTINUED

Important Auto Insurance Coverages

When you browse through your policy, you may see certain coverages and wonder exactly what they are, and why they're on your policy.

Let us clarify a few of the more important ones for you:

Collision Coverage — this is the part of your policy that covers your car in the event you damage the car itself somehow, as a result of an accident with a fixed or moving object like another car, a curb, a house, a guard rail, etc..

Comprehensive Coverage — this coverage also protects your car, but in the event that something else damages your car, that is not a fixed, or moving object. For example, theft, a rock that cracks your windshield while you're driving on the highway, an animal you might hit, and so on.

Property Damage — suppose you damage someone's car in an accident, or a guard rail, house, or some other property that belongs to someone else. This is the part of your policy that compensates the other person for that damage

Bodily Injury Liability — this coverage protects your financial interest in the event you injure another party in an accident. This is the part of your policy that pays that other party for their medical bills and related expenses. Due to the high cost of medical care, it's dangerous to carry liability limits that are too low. This is something we can help you decide on.

Un-insured & Under-insured Liability — this coverage pays you, in the event that you are injured by another party, and that other party was either unidentified, or they weren't carrying a high enough limit of Bodily Injury Liability to cover your expenses. This is also a very important part of your auto policy because you have zero control over how much insurance other people are driving around with.

HOMEOWNERS INSURANCE

Getting the right coverages in your homeowners insurance policy isn't just a luxury, it's a necessity. But, if you're like most people, you don't exactly spend your free time moonlighting as an insurance agent. So what do you do?

The first step is educating yourself on the basics of what a homeowners insurance policy really does. The second step is finding an agent who can advise you further and help you get the policy you need.

We help homeowners throughout the entire eastern seaboard, so no matter what you're thinking about, we've probably been there, seen it, and helped someone just like you.

NO TWO HOMEOWNERS POLICIES ARE EQUAL

At heart, homeowners insurance is about protecting your home, your possessions, the buildings on the land around your home, and protecting you from lawsuits and other forms of liability exposure. That's a lot of coverage for one policy, so let's explore a little more.



Homeowners policies are divided into different levels of coverages, in the insurance industry called forms. At the most basic level you have what is called an HO-2, a form that offers protection only against risks that are specifically named on your policy.

The standard form is the HO-3, a fantastic policy that provides coverage for a wide range of terrible things that can happen to a home. In fact, the reason it is the standard is because a risk has to be specifically excluded from the policy to not be covered.

HOMEOWNERS CONTINUED

Personal property is NOT included in this "open-peril" coverage, and is instead still covered on a "named peril" like an HO-2.

The HO-3 is the bare minimum that Alliance will write.

For example, if an \$800 policy is an HO-2, and a \$1,000 policy is an HO-3, then you would have to really decide if losing that protection would be worth \$200 a year. We would never suggest it.

If you're looking for blanket protection against as much risk as possible, then the HO-5 is for you. It provides open-peril coverage for both your house and the personal property you own. And if you want even more coverage, upgrade to an HE-7 (in NC only - other states typically have a similar policy under a different name).

This gold standard level policy offers enhanced coverage amounts for Coverage B & C, as well as increased values for high risk items such as jewelry, furs, cash, computers and more.

HOMEOWNERS FORMS

KNOW YOUR COVERAGES

2

HO 2

The HO-2 is the "broad form," which means it covers a lot of risks. However, if it is not listed as a covered risk, or "peril," then it isn't covered at all. Common coverages are: fire, lightning, windstorm, explosion, & theft.

3

HO 3

The HO-3 is the "special form," meaning it covers any peril that is not specifically named as excluded - for the house only. Common exclusions are: collapse, gradual wear and tear, animal damage, damage while vacant. The Alliance Minimum.

5

HO 5

The HO-5 is the "comprehensive form," which means it covers your home AND your personal property on an open-peril basis. Unless an event is specifically excluded, this policy covers it.

7

HE 7

In NC, this form is an elite level of coverage even above the HO-3. It offers elevated levels of coverage for high end personal property, as well as greater coverage amounts of damages like tree removal. The Alliance Standard.

8

HO 8

This coverage form is for older homes. Since replacement cost is often more than their market value, the HO-8 provides only basic property coverages. It is thus very rare.

ALWAYS LEARNING

UMBRELLA INSURANCE

Unless you live in an incredibly rainy place, you probably don't have enough umbrellas for a special insurance policy.

Luckily for you, the policy we're referring to protects you from a different kind of rain – metaphorically speaking. An Umbrella Insurance policy is an extra piece of coverage that compliments our auto and homeowners insurance. It is the perfect piece of coverage to fill out your insurance package.

UMBRELLAS GO OVER YOUR HOME AND AUTO

This important coverage goes over (like an umbrella, get it?) your auto and home policies to provide excess liability protection in the event you are faced with a lawsuit. Most of us think that we don't need this as we've never been sued before.



The scary truth is that all of us are one bad accident away from a person with a lawyer wanting to see us in court. And the \$300,000 of liability protection you have in your auto or home policy often won't be enough if you're found to be at fault.

Have less than \$300,000 of liability in the first place? You need to call us right away, as you are probably underinsured at the base level. Making sure you have adequate coverage, on your underlying policies and your umbrella, can make sure that you are protected if you are hit with a lawsuit.

UMBRELLA CONTINUED

Besides accidents, we put ourselves at risk all the time online. Whether it is posting incorrect information on a blog, criticizing a public figure, or many other forms of self expression that we think are protected, the line between freedom of speech and libel can be very thin.

\$1 MILLION IN COVERAGE CAN COST \$200 A YEAR.

If the worst happens and you find yourself on the wrong end of an attorney, you'll want to know that you have at least \$1 Million dollars of umbrella insurance liability protection there to save you from financial ruin. Affordable Protection. Best of all, this incredible amount of protection doesn't have to be expensive! For many, \$1 Million dollars of Umbrella Insurance coverage costs only \$200-300 a year.



Coverage up to \$5 Million dollars is common, and won't break the bank for those even with many different kinds of risk. Because, let's face it, some of us have more than just one car and one house. Each separate vehicle or property represents another exposure to risk, whether it is a boat, a motorcycle, or a beach house. But even if you've got homes from Florida to Maine and a whole fleet of cars, an umbrella policy won't cost you an arm and a leg.

LIFE INSURANCE

Life insurance is usually the most misunderstood piece of protection an agent can offer. Images of doom and gloom, or unscrupulous agents going door to door to get a sale, are what some people still think of when they think of Life Insurance. It's a sad state of affairs for such a valuable financial service.

Luckily, this chapter should help explain the basics of life insurance, giving you the tools to make an informed decision regarding this key part of financial planning.

LIFE IS AN INVESTMENT

Life should be thought of in two ways. First, it is a safety net, just like all insurance policies are. Second, it is more of an investment than most other types of insurance, as life is something you put money into and it will pay out later. That's why so many financial advisors also sell life insurance.



When considering life insurance, consider the following factors: WHO will it help, WHEN should it help them, and WHAT type of policy do you want?

The WHO is the beneficiary, the person the money will go to after the policy takes effect. The WHEN helps determine how the policy should be structured and what period of time should be covered. The WHAT refers to the two different kinds of policies and which one best fits your needs.

The two types are Term and Whole Life.

LIFE CONTINUED

Term is life coverage for a specific term, like 10, 20, or 30 years, while whole life is for, well, your whole life. And that's pretty much the basics right there. Sure, it can get more in depth than that, for example:

- Term Life only covers you during the time period, and must be renewed or converted to Whole Life after.
- Term life is easy to purchase, often without a physical exam.
- Term life generally becomes more expensive as you age.
- Whole life usually requires a physical exam.
- Whole life has to build value over time, often needing 10-15 years to build up a decent value.
- Whole life is more expensive up front, but shows value in the long-term.

Policies can range in price dramatically based on length of the policy, age and health of the buyer, and even market calculations for some Whole Life policies.

But generally, you can get policies for anywhere from \$100-1500 a month, for coverage amounts ranging from \$250,000 to \$5,000,000.

If you have finished this chapter, you already know more about life insurance than most of your peers. You know what can happen, how it can help, and why you need it.

You also know the basics of how it works and what it does. The only thing you need to know now is this: when are you going to get it? If you are curious about life insurance, and you want to get deeper than the bullet points above, reach out to a certified Life agent at Alliance to discuss your personal situation, your options for different kinds of life coverage, and how to make this work best for you and your family.

There's never a bad time to get your first life insurance policy. And now you know how.

THE ALLIANCE DIFFERENCE

You can buy insurance anywhere. You can go to an agent's office, pick up the phone, buy online or through a few clicks on your iPhone. The choices, and companies, seem endless.

But at Alliance, we know that there has to be a balance between what you want, and what you know.

Buying insurance by yourself might be a great deal - if you know what you actually need. It's easy to make decisions solely based on budget.

But BUDGET = INSURANCE isn't the formula.

GREAT KNOWLEDGE EQUALS GREAT INSURANCE



We believe that knowing

- What insurance does
- What a client really needs
- How much the client knows

is the key to getting a great insurance policy.

Look at it this way. If you buy a policy based on what is the cheapest, but you don't know what it covers, or for how much, you are basically gambling. You are wagering that your policy will protect you and reimburse you if you have an accident.

KNOWING IS GROWING

When it comes to your protection, we don't gamble. We use our know-how and consider your needs and level of insurance education to determine what to offer you, and how to explain what we recommend.

That's why we put together this book, have a massive collection of videos on YouTube, and write dozens of blogs on various topics. We make sure educating people just like you is a priority so you can know what you need, how to use your policy if you need it, and help you KNOW you're getting a great deal.

HAVE YOUR CAKE & EAT IT, TOO

If you want to know everything about what your policy covers, how it works, what gaps you have in coverage and the philosophical reasons why insurance exists - we will happily tell you as much as you want to know.



But if you want to know nothing, if you want to tell us about yourself, get our recommendation and only think about us when your policies renew, we're fine with that too.

Knowing what you need, and how much you know, gives us the ability to serve you the way you deserve to be treated.

Insurance shouldn't be complicated.
Insurance shouldn't be tricky.
Insurance shouldn't be a gamble.

Insurance should be helpful for you when you need helping. Period.