

\$500,000 Lost Due to Misleading auto insurance advertising!

I have to tell you a true, sad story that happened to one of our client's neighbors (not insured by us). She was a divorced teacher, a few years away from retirement, a paid for \$500,000 home and a newly licensed 17 year old daughter. So you get the idea of the make-up of this household now, single Mom raising her only child

After buying her daughter her own car and seeing what a 17 year old's pay for **auto insurance**, she decided to "call around" for less costly *auto insurance*. What the 1-800-I-Got-Cheaper-Insurance person didn't explain to her, is that the less costly auto insurance policy, also had less liability insurance coverage than she had now.

As luck (bad luck) would have it, her daughter clipped the mirrors of a motorcyclist causing him to lose control and go skidding down the road. After surgery, an extended hospital stay and broken bones would have the bike rider laid up for 7 months due to his injuries. Of course, a lawsuit was pending and once it got into court, the court found the defendant guilty of negligence.

So here is how the \$750,000 judgement granted the motorcyclist got paid - \$100,000 from her "cheaper" **auto insurance**, \$500,000 from the sale of her home (yes, she had to sell and move) and \$150,000 from her teacher's pension. Then her next decision was to continue to teach beyond the planned for retirement, so she could build up her pension once more. (She previously had \$300,000 of liability protection, plus \$1,000,000 umbrella policy, enough to pay the claim).

Misleading auto insurance advertising - like it is all about price!

A very true and sad story, about auto insurance companies that sell insurance policies without exploring the risks involved. By asking questions up front, a good insurance agent would qualify this risk differently than a 25 year old single male, living on campus and going to college. Not all risk should be treated the same or sold a policy the same, auto insurance should never be looked at as a commodity.

Don't be an uninformed insurance consumer - know what your risk factors are and what you need to protect! Too many consumer's believe TV ads or listen to their brother, neighbor or co-worker who hasn't the knowledge on how insurance works. So taking advice from them is never a good recommendation.

The risk factors just vary so much from Consumer to Consumer, it shouldn't be sold like that. In my insurance office, we help people buy insurance, never acting like the proverbial pushy salesman. If you were to look up the word insurance in the dictionary, the meaning is a "transfer or risk". So transferring your risk to an insurance company (for a cost) is what consumer's do every day.

It is HOW you manage that risk that a good insurance broker can bring to the table. Being a manager of risk is what a good insurance broker does.

If you need help managing risk, call my office 716-684-3203 or email me tom@larseninsurance.com or request a quote here. We will get as much information as we can in a couple minute conversation and help you to better cover the risks your household has. It is our duty to protect you as best we can.

Tom Larsen

P.S. – What if your doctor told you that you only had 15 minutes for your physical? Would you then change doctors?

P.P.S. – Our clients say it best:

“ I love this company! Tom and his team have been providing service to my family for years! Couldn't be any happier.” John Macaluso, Shadow Lounge and Adam's Rib Restaurants