

# Personal Lines



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Risk Management

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## Beware Medical Identity Theft

Identity theft can drain your bank account and ruin your credit. However, when an impostor steals your medical identity, results can be deadly.



Imagine this scenario: You're in the emergency room and need a blood transfusion. Your medical records show you have blood type B+, so the ER staff gives you that type of blood.

Or this one: You're experiencing severe abdominal pain. Your medical records show you had your appendix removed laparoscopically last year, leaving no scar. The medical team immediately eliminates appendicitis as a potential problem. Now imagine that the medical records your doctors were relying on weren't really yours. The resulting complications could seriously affect your health. In medical identity theft, an impostor uses your identity to obtain medical services or

uses your insurance information to make false claims for medical treatment. Either way, the impostor's health information goes into your medical records.

Any individual with an opportunity can steal your medical identity, but according to the World Privacy Forum, doctors, nurses, hospital employees and, increasingly, sophisticated crime rings are playing a role. Medical identity theft doesn't just affect your physical health — it can affect your financial health as well. And as healthcare costs continue to escalate, the problem isn't likely to go away. In an April 2006 report, the World Privacy Forum estimated that approximately a quarter million to a half million individuals have been victims of

this crime.

At present, these victims do not have the same rights and recourse as the victims of financial identity theft. Federal law limits liability for unauthorized credit card charges to \$50, while your liability for unauthorized use of an ATM or debit card depends on how quickly you report the loss. But when your medical identity is stolen, no law limits your financial liability for the resulting bills. If you discover fraudulent charges, it is your responsibility to clear your records and prove that the charges are not yours; until you do so, any bills remain your responsibility. The Federal Trade Commission ([www.ftc.gov](http://www.ftc.gov)) recommends the following

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## This Just In

On July 1, California joins New York, New Jersey, Connecticut and the District of Columbia in restricting cell phone use to a "hands free" device, such as headset, while driving. A separate law banning teenage drivers from using cell phones at all, including barring them from sending text messages while driving, also goes into effect in California on July 1.

A study by the non-partisan Public Policy Institute of California found that cell phone use appears to have the worst effect on drivers when the weather was bad or roads were wet or icy. But "there is no observable effect in good weather or on dry roads," PPIC said.

### Other key findings:

- ★ Laws requiring hands-free devices have reduced fatalities in adverse conditions by 30-60 percent, depending on how long the law has been in effect.

- ★ Based on the experience of New York, which in 2001 became the first state to have a hands-free law, fatalities in adverse conditions may remain at a lower level several years after the law takes effect.





# Insuring Your Boat

What's the difference between a boat and a yacht\*? If you know the answer, you probably need more coverage than just the standard homeowners policy can provide.

**B**oating is a great family activity, but it does involve risks: According to a U.S. Coast Guard report, recreational boating accidents in registered boats caused 710 deaths, 3,474 injuries and more than \$43 million in property damage in 2006, representing the second straight year of increases—despite a decrease in the number of boat registrations. The report did not include accidents involving only property damage of less than \$2,000. If you own or regularly operate a boat for recreational purposes, you might need more coverage than your homeowners policy provides.

The standard homeowners policy limits coverage for property damage to small boats only—such as canoes, small sailboats or power boats with less than 25 miles per hour horsepower. Further, the standard homeowners insurance policy excludes coverage for any liability you may incur arising from “ownership, maintenance, use, loading or unloading” of watercraft.

If you have a smaller watercraft, you might be able to obtain the liability coverage you need with an endorsement to your homeowners policy. But if you own a larger craft, a specialized boat insurance policy offers property coverage to protect your investment in your boat, along with the liability coverage you need to protect your family from catastrophic lawsuits.

## What boat insurance covers

Like your homeowners policy, boat insurance contains two parts: liability coverage and property coverage. The liability portion covers you for injuries or property damage you or an insured family member cause to another person through your boating activities. Liability limits under boat insurance policies range from \$15,000 to \$300,000; yacht policies can provide from \$300,000 to \$2 million in coverage. You'll want to ensure you have enough coverage to protect your assets in case of a serious lawsuit; however, you can insure part of

your liability exposure through a personal liability umbrella.

Most boating-related claims—and therefore, most of your premium costs—involve property damage to your own boat. How much your policy will cost depends on your boat's value, where and how you are going to use it, and your boating experience.

How much coverage you want—the limits of your policy—will depend on the boat's value. If you have just bought a brand-new boat, you'll want to insure it for its purchase price. If you have an older boat, an examination of boating “blue books” or an appraisal by a marine surveyor can help determine its worth.

Where you dock and operate your boat will affect how much your coverage will cost. You'll pay more to keep a boat in hurricane-prone Florida than in California, for example. Likewise, operating a boat primarily in saltwater exposes it to more of the elements and makes it more vulnerable to damage over the long term than a boat operated in fresh water. The length of the boating season in your area also enters

into the equation—a boat on Lake Ontario has a shorter operating season—and lower risk exposures—than one on Lake Mead.

Your boating experience (or the operator's, if another family member will be the primary operator) plays an important role in your insurance costs. The underwriter will look at your experience, the size of the boat and your motor vehicle records (because a bad driver will generally be a bad boat captain) to evaluate the risk you pose. Taking a boating safety or other boating-related course can reduce your risk of accident and might lower your insurance costs.

You'll want to be sure your boat policy covers your trailer and the boat's motor. You can also endorse the policy to provide coverage for personal belongings stored on the boat, dinghies and fishing gear. For more information on insuring your boat, please contact us. ■

*\*A vessel longer than 26 or 27 feet is generally considered a yacht.*





# Keeping Teens Safe Behind the Wheel

Parents can do several things to help keep their teenagers safe behind the wheel. Here are a few of them.

✓ **Coach your son or daughter.** Talk openly and frankly with your teenager in order to determine his or her attitude about being behind the wheel. Work with your teen to set ground rules, such as the number of people allowed in the car, where the car may be taken, and curfew.

✓ **Make sure you know the rules of the road.** Some states have more restrictive rules for underage drivers. Some have curfews that prohibit drivers under the age of 18 from operating a vehicle after a certain hour, including Connecticut, District of Columbia, Florida, Georgia, Illinois, Massachusetts, Nevada, New Jersey, Ohio and Virginia. Others prohibit underage drivers from having other minors as passengers. And others restrict or prohibit the use of cell phones while driving. In California, for example, adults will be able to use a mobile phone with a hands-free device after July 1, while underage drivers will not be able to use a phone at all while operating a vehicle.

✓ **Use emergency road service.** If you do not belong to a motor club, you should consider joining one that provides 24-hour emergency road service. That way, teenagers may call for help at any time if they need gas, need a jump-start, are locked out or need a tire changed. You can also arrange with the motor club to provide service for your teen if they are in a friend's car.

✓ **Have an open discussion about driving under the influence.** While no one wants to think about the possibility of their teenager drinking and driving — or being in a car with an impaired friend at the wheel — we need to be realistic. History has shown that teenagers will experiment with alcohol. You should make it clear to your teen that driving after drinking

is not acceptable. However, if they ever do drink, or are in a car with someone else who is impaired, make it clear to your teen that he or she can call you at any time of the day or night and that you will come to get them--no questions asked.

Two other effective, though more costly, things you can do are:

✓ **Install a “governor.”** Many vehicles — school buses and certain types of delivery vehicles are good examples — have a “governor” installed in them that restricts the amount of fuel that can be injected, thus preventing the vehicle from being driven over a certain speed. A governor in your teen's car may help keep him or her within the speed limits.

✓ **Install a global positioning system (GPS) in your car.** You can program it to let you know where your teenager is driving at any time. With the GPS, you can set a radius of operation and the GPS will notify you if your teen has taken the car outside of that radius. It can even alert you when the speed limit is being exceeded. Finally, a GPS can notify you if the car is being kept out past an agreed-upon curfew. This may seem like a rather extreme measure; use of a GPS may best serve those parents who have a reason to mistrust their teenager.

When your son or daughter gets a driver's license, come into our office so we can review such options with both of you. It is important for you — and your son or daughter — to remember that, yes, your auto insurance rates



will go up, but they will come down after a couple years of driving experience. However, the rates will really go up if your teenager has tickets or gets into accidents. ■

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steps to detect medical identity theft:

✳ Closely monitor any “Explanation of Benefits” sent by public or private health insurers. If anything appears wrong, raise questions with the insurer or the provider. Do not assume that there are no problems simply because you may not owe any money.

✳ Once a year (or more often, if you believe there is cause for concern), request a listing of benefits paid in your name by any health insurers that might have made such payments on your behalf.

✳ Monitor your credit reports with the nationwide credit reporting companies — Equifax, Experian, and TransUnion — to identify reports of medical debts. If you do discover medical identity theft, federal law gives you certain rights that can help you correct inaccurate medical records.

These rights are described in greater detail at [www.hhs.gov/oct/hipaa](http://www.hhs.gov/oct/hipaa). They include:

✳ The right to request copies of your current medical files from each health care provider.

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# Safer Garage Sales

Many people hold garage sales during the summer to clear out unneeded possessions and earn a little extra money. But before you put up the signs, make sure your site is safe. If a visitor gets injured on your property, you could be liable for medical and legal liability expenses.



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**T**o make your garage sale safe for you and your visitors, take a look at your property with a critical eye. Is your garage sale location well-lit? Are your driveway and/or sidewalks clear and free of bumps and other hazards that could trip a visitor? Do you have enough space to arrange tables and sale items for shoppers to move about safely?

Second, check your homeowners policy to ensure you have adequate liability limits to protect you if a visitor gets injured on your property. According to the Insurance Information Institute, your homeowners policy will probably provide coverage if your garage sale is an “irregular event, staged solely for the purpose of clearing out unwanted and unused items.” But “if your urge to sell items turns into a regular, scheduled, profit-making event, your homeowners policy won’t apply.”

In this case, your insurer would consider garage sales a business and you would need a commercial liability policy. (Some insurers sell policies specifically for home-based businesses.)

Garage sales also present other liability problems. Although recycling and reusing items is good for the environment, many older items can create safety hazards, particularly for babies and children. If you have an older item you want to sell, check the website of the Consumer Product Safety Commission, [www.cpsc.gov/cpscpub/prerel/prerel.html](http://www.cpsc.gov/cpscpub/prerel/prerel.html), to see whether it has been recalled. If you find an item on the recall list, avoid liability exposure by sending it to the landfill rather than your garage sale.

If you have any questions regarding your coverage needs for garage sales and other summer activities, please call us. ■

✦ The right to have your medical records amended to remove inaccurate or incomplete information.

✦ The right to an accounting of disclosures — a record of who has been given access to your medical records — from your health care providers and health insurers. This is very important in tracking down where inaccurate information may have been sent.

✦ The right to file a complaint with the Office of Civil Rights at the federal Department of Health and Human Services if a health care provider does not comply with these rights. In addition, many hospitals have ombudsmen or patient advocates who may be able to help you obtain medical records or provide access to information.

For more information on protecting your identity — medical and financial — please contact us. ■

## Risk Tip

**R**eported Internet crime losses reached a record \$240 million in 2007, up \$40 million from 2006, according to the 2007 Internet Crime Report, issued by the FBI’s Internet Crime Complaint Center (IC3). In total the FBI unit received nearly 207,000 complaints about fraud allegedly committed over the Internet.

Internet auction fraud was the most reported offense, accounting for 36 percent of complaints received. In second place was non-delivery of merchandise, which comprised 25 percent of complaints. Credit and debit card fraud, check fraud and computer fraud represented nearly 18 percent of all complaints. Identity theft, financial institutions fraud, threats, and Nigerian letter fraud complaints together represented less than 8.3 percent of all complaints, while confidence fraud made up an additional 6.7 percent of complaints.

While the total of Internet fraud is almost insignificant compared to total of US fraud, its growth rate is startling, soaring from \$17.8 million in 2001 to \$240 million last year.

The following measures can help you avoid becoming a victim of Internet fraud:

✦ Where possible, order only from merchants you’ve heard of before. Avoid ordering in response to an email solicitation, unless it’s a merchant you know and trust.

✦ Use a credit card rather than a debit card to place your order. Credit cards generally provide purchasers with more protections than a debit card. American Express cards offer excellent protections — check your card agreement for details.

✦ Keep track of what you order and when you expect to receive it. If it does not appear within a reasonable time, follow up. ■