

# Insights and Updates

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## Doing business as a home improvement contractor?

What is meant by “doing business as a home improvement contractor in Connecticut?” If someone performs work on residential property—single or multifamily dwellings of six units or fewer—condominiums or common interest communities and charges more than \$1,000 for all of the home improvement contracts with all customers during any 12 consecutive months, they must be registered as a home improvement contractor.

A home improvement contractor does not need to be registered if he or she:

- 1.) works only as a subcontractor for a registered home improvement contractor;
- 2.) builds only new houses;
- 3.) does only commercial work and/or holds a trade license issued by the state, and the work is within the scope of that license.

Connecticut law dictates that one must register as a home improvement contractor before conducting any business or entering into any contracts. Performing home improvement work in Connecticut without being registered is a criminal offense, subject to prosecution. Also, these contractors will be prevented from using the judicial system to collect payment for the work.

The days of the “gentleman’s handshake” to have work completed in your home are gone. The Connecticut Home Improvement Act demands written contracts:

- must be in writing, including all changes and modifications.
- must include the contractor registration number.
- must include four dates: 1.) the date the contract is signed; 2.) the date the work will begin; 3.) the date by which the work will be completed; and 4.) the date by which the homeowner may cancel the transaction.

Contracts also must include a Notice of the Customer’s Right to Cancel within three business days after signing the contract. The notice must be attached to and made part of the contract, and must be in duplicate.

And, the notice contained in the contract must be near the customer’s signature and in the following form:

“You, the buyer may cancel this transaction at any time prior to midnight on the third business day after the date of this transaction. See the attached notice of cancellation for an explanation of this right.”

*(Note: Saturday is a legal business day in Connecticut.)*

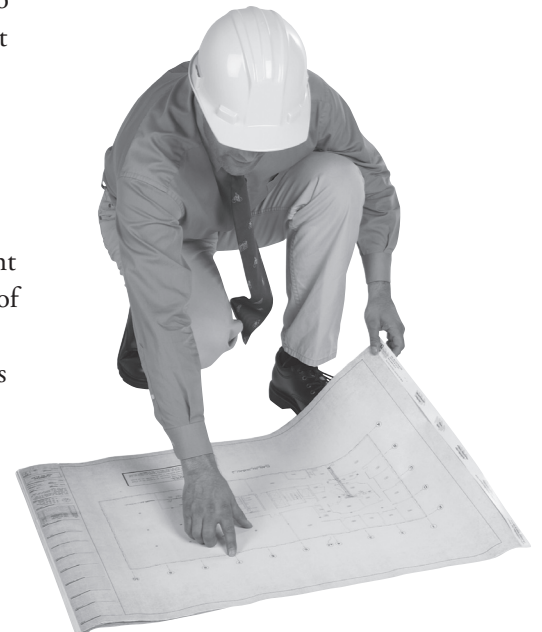
When you are having work completed, remember, the contract

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should specify everything the contractor will and will not perform. For example, who is responsible for cleaning up debris left in the yard from the construction work? If remodeling a kitchen, is the cost of the appliances included in the contract price?

So when doing business with a contractor, the law requires it now must be “by the book.”



## This past winter's weather is still causing a flood of concerns

People in high-risk flood areas are not the only ones who need flood insurance. In fact, approximately 25 percent of all flood insurance claims come from areas that are not considered high risk. Winter run-off, heavy rains and water backup from overlooked drainage systems can cause thousands of dollars in damages to homes. Flooding can happen any place at any time.

Unfortunately, too many people find out too late that flood damage is not typically covered by homeowners insurance. Only a flood insurance policy will protect homeowners from costly flood damage. And, a 30-day waiting period exists between the time the flood insurance is purchased and the time the coverage goes into effect. Waiting until the next storm warning to purchase flood insurance is dangerous, since coverage probably will not begin in time.

The National Flood Insurance Program offers flood insurance at federally subsidized, premium rates, which we may be able to help you purchase. Contact our agency to get the coverage you need to protect your family from the devastation flooding can cause.

## College graduates: Keep yourself covered

Young adults must make a number of adjustments when they graduate from college and enter "the real world." One of the more abrupt changes concerns health insurance coverage. It's not easy to land a job with full health benefits straight out of college, so contingency plans are often necessary.

A common justification from young people for going without coverage is that youth is on their side. Contrary to that popular misconception, the U.S. Department of Health and Human Services says "one-in-six young adults has a chronic illness like cancer, diabetes or asthma. Nearly half of uninsured young adults report problems paying medical bills." In addition, more and more people rely on prescription drugs to stay healthy. And, there's always the risk of an accident—anything from a car crash to a simple slip and fall can result in serious medical problems.

Many graduates take health coverage for granted, since they've always been included on their parents' policies. However, some insurance companies will not allow parents to include their grown children on their policies if they are no longer students. Other insurers tie termination to when the child turns a specific age. Parents should check their policies to see which is the case. Some states have laws preventing

insurers from dropping grown children younger than a certain age from their parents' coverage.

Some policies contain a loophole for "students." If a dependent child can be classified as a full-time student, he or she can still receive coverage on their parents policy. So, if the graduate is planning to begin a graduate program, coverage sometimes can be retained.

Another way for recent graduates to ensure continued coverage is by signing up for Consolidated Omnibus Budget Reconciliation Act benefits. The COBRA law allows graduates to continue their existing health coverage for up to 36 months. More information can be found on the COBRA website: [www.dol.gov/dol/topic/health-plans/cobra.htm](http://www.dol.gov/dol/topic/health-plans/cobra.htm).

Student health insurance is another option available to most full-time students. This type of coverage may continue after graduation, but often the policy must be written within a certain period before commencement.

Short-term health insurance also may be available as well. This temporary coverage can provide a safety net to those who need to span a short period. Neither student nor short-term coverage is ideal. There are gaps in coverage, and with short-term coverage if an accident renders you in need of ongoing care, the policy can expire after six months or a year, leaving you with hefty expenses.

With a little research you can find the best fit for you and your family. And, as always, as your independent insurance agent we will help you along the way. Call us with any questions or concerns.





## Car + teenager = (expensive) trouble

### Statistically speaking.

Driving is one of society's more dangerous activities no matter who is behind the wheel. But, according to an Autos.com interpretation of Census data, "[f]or every mile driven, teens between the ages of 16 and 19 are four times as likely to be involved in a car crash."

It's no wonder that car insurance premiums are so high for this age group. But, parents can take comfort knowing there are some steps you can take to lower your sons or daughter's risk and his or her insurance premiums:

- Learn the law and help your teens do the same. A driver who adheres to the rules of the road is a safer driver. Part of helping your teen learn is setting a good example. Obey the speed limit. Don't tailgate. Stay calm behind the wheel. Your example will make it easier to convince your children to become safe drivers.
- Keep the grades up. Some insurers have made the connection between good grades and a more responsible young adult. Many offer a discount—sometimes as high as 25 percent—for students who maintain a B average or higher.

- Educated drivers are safer drivers. Insurers recognize this truth with discounts for driver-education courses. Call us to find out which classes are covered before making a deposit.
- A sports car makes an excellent

**"...for every mile driven, teens between the ages of 16 and 19 are four times as likely to be involved in a car crash."**

-Autos.com

midlife-crisis mobile. It's absolutely the wrong vehicle for a teen. Plus, sports car = higher insurance rates.

- Keep a close watch. Don't allow your teen to drive his or her friends around unless you or another responsible adult goes along for the ride.

- Keep night-time driving to a minimum. People who drive at night are exposed to a greater risk of accidents.

If you're just trying to find the lowest rate you can try these:

- Get them on your policy. If your son or daughter drives a family car, he or she can be added to your policy. In fact, some companies will insure young drivers only on a family policy.
- Make an older car your teen's vehicle. Old cars—usually do not need collision and comprehensive coverage. Drop these.
- Raise your deductible. If you have sufficient cash in case of an accident, a higher deductible will reduce your premium cost.

Regardless of which strategies you pursue to reduce risk and control costs, give us a call, as you put your teen on the road. We can help you sort through your options, as well as discuss the ramifications of these tactics, as you get your child driving safety—at a price you can afford.



## Windstorm reminder



June 1 through Nov. 30 is hurricane season. And although the Northeast may not be quite the hurricane mecca that the Gulf Coast is, hurricanes and windstorms still are a real threat to homeowners along the eastern seaboard.

A home near the coast typically has a higher deductible for windstorm loss than for other causes of loss such as fire or theft. The deductible applies to each windstorm or hurricane that causes damage. And, inland households are not immune to the risk either. A hurricane can have a long reach—and don't forget, even a thunderstorm can cause significant wind damage.

Although damage from windstorms is covered by all standard homeowners policies, our agency doesn't want a windstorm to be the moment you decide to check your homeowners policy. We would rather you knew in advance. So, please, if you aren't sure what your deductible is, give us a call.

## News from our agency

### Tips for keeping your homeowners insurance down

People always are looking for ways to cut expenses, especially in today's economy. Following are a few suggestions for consumers to save on their homeowners premiums.

- Re-evaluate coverage amounts. Many policies have inflation protection that increase coverage amounts automatically. This was needed in the years leading up to the crash, but today it should be looked at more closely.
- Small claims can become expensive. Homeowners should have the highest deductible they can comfortably afford and repair minor items out-of-pocket, rather than filing a claim. Filing a claim for every broken window can increase premiums 10 percent or more.
- Check your credit report. Insurance companies check credit history before figuring rates. This is done to help them assess the payment risk and individual policyholder responsibility.

Finally, give us a call. As a professional independent agency, we have access to several different companies. Let us shop around for you to find the best price for the best coverage to fit your homeowners needs.

