

Confident, Carefree,
COVERED.

ADVOCATE'S MONTHLY NEWSLETTER

2023



We Are Here For You!

As your insurance advocate, we are here for you! Our focus is to help you, our valued client, make informed decisions about your insurance.

We are here to help you find comprehensive coverage that protects the things that matter the most to you! If you have any questions, we encourage you to give us a call and ask! We would love to speak with you.

Live your life confident, carefree, covered, knowing that Advocate Brokerage is always here for you!



Understanding Rising Insurance Rates



Insurance rates for Automobiles, Homes & Excess Liability have been on the rise for quite some time.

We believe in providing as much information as possible to better educate our clients so that they can make informed decisions when it comes to their insurance. We do our best to share our expertise with you which is why we put together this blog article to share some of the key factors impacting the insurance industry and the rate increases we are seeing across the board.

Why Are Auto Insurance Rates Increasing?

Repair Costs Are Higher Due To Increased Technology In Vehicles

Every component in today's high-tech vehicles are connected to another component making simple part replacements a thing of the past. Each repair becomes a major repair and thus the cost of repairs grows.

Supply Chain Issues Make Replacement Costs More Expensive

Supply chain delays stem far beyond modern vehicles with semiconductor chips. Everything from brakes, exhaust systems, engines, and basic plastic parts that feed the auto industry has been challenging to access.

Auto Repairs Are More Expensive Due To A Lack Of Skilled Labor

The auto repair industry is struggling to find skilled laborers. In order to attract new talent repair shops have been raising wages which in turn results in a higher cost for repairs.

Accidents Due To Distracted Driving And Speeding Are On The Rise

64% of all road accidents in the US involve distracted driving.

Why Are Homeowners Insurance Rates Increasing?

Increased Frequency Of Severe Weather

In the last 5 years, the US has seen 79 severe weather events with \$1 billion dollars in damage. That is an average of 16 events per year.

Supply Chain Issues

Costs for materials have increased due to inflation and supply chain disruptions. This has had an impact on replacement cost values and required an increase in insurance coverage limits.

More Luxury Homes

The increase in luxury homes being built with custom details leads to a higher replacement cost when damage occurs.

Shortage of Skilled Construction Laborers

Employers across the country are finding it difficult to find skilled workers and the construction industry is no exception. Many construction companies are paying higher wages for skilled labor which causes the cost of repairs and restorations to increase.

Rising Cost of Reinsurance

Insurance companies insure themselves by buying reinsurance. Reinsurance protects you by making sure the insurance carriers remain financially solvent. Most reinsurance companies are reporting that US results for the last 5 years have been abysmal. As a result, reinsurance rates have drastically increased during the last few years and we believe reinsurance rates will continue to increase 25-40% in 2023. These increases result in a greater cost to the carrier to insure their policies.

Why Are Umbrella Insurance (Excess Liability) Rates Increasing?

Social Inflation Has Resulted In Rapid Increases In Claim Costs

Social inflation is a term used to describe the elements that impact excess liability insurance rates. The court of public opinion (fueled by social media and the media in general) is believed to be making an impact on the way a jury comes to a decision. When a jury distrusts larger corporations and makes decisions based on emotions rather than facts, larger settlements are awarded.

Medical Cost Inflation

Inflation is an issue in nearly every industry. The medical industry is no exception. We've seen an average increase in Medical Costs of 4.6% from January 2020 to November of 2022.

Increase In Average Jury Awards

The average jury award reached an all-time record high of \$2.5 million in 2020. That is an increase of 39% from 2019.

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**Insurance Every Business Owner Needs
To Be Confident, Carefree & Covered**



When it comes to running a business, you need a passion for what you do and a support system to help you protect your business from the potential risks that can slow down business growth before it really gets started.

As specialists in the world of Commercial Insurance, we thought it might be helpful to share information for those who are just starting their business or are looking to make sure they have the correct coverages in place. Below you will find a guide to the types of insurance that should so that you can put your focus on where it needs to be...running your business.

Professional Liability

Professional Liability insurance is a must for business owners who work directly with customers either in an advisory role or by providing services. Professional liability protects the business from negligence claims for improperly offering services, mistakes that have been made or failure to perform. Sometimes referred to as an Errors & Omissions policy, Professional Liability insurance can help you cover the cost of damages associated with the allegation of losses due to any errors or negligence generated by your business.

Property Insurance

When the unexpected happens, the costs of replacing or repairing business assets and property that has been damaged can overwhelm a company and sometimes lead to business failure. Putting together an insurance portfolio that includes adequate commercial property insurance is imperative whether you own or lease your place of business. It is important to note that your coverage should include a replacement cost valuation and that the coverage limits are regularly reviewed for adequacy. You'll want to be sure you consult with an experienced commercial insurance agent, like the ones at Advocate Brokerage to ensure that your coverage is tailored for the unique needs of your business.

Workers Compensation

If you have employees, Workers Compensation Insurance is an important component for your business. Workers Comp offers replacement income and pays for medical expenses if an employee has been injured while on the job. In exchange, the employee gives up their right to sue over a work-related injury, no matter who is found to be at fault.

Data Breach Liability

If doing business includes handling any personal information about customers, data breach liability insurance is important coverage to consider. Whether it is a customer paying with a credit card or maintaining a database that includes personal information for a loyalty club, there are many opportunities for a data breach to occur.

Commercial Umbrella

For protection from the growing trend of litigation in our society, a Commercial Umbrella Policy or as it is also known, an Excess Liability Policy is becoming a necessity. The ever-increasing number of lawsuits combined with the growing size of settlements granted by juries gives a single liability claim the power to wipe out a business. An excess liability policy provides an extra measure of liability protection for your business.

Cyber Liability

A cyber liability policy protects your business from a myriad of risks that include security breaches, theft of records, the loss and/or sharing of personal information to network and data breaches as well as media and communication liability. The type of coverage needed will depend entirely on the specifics of your business.

For Small To Mid-Sized Businesses, A Business Owners Policy May Be The Right Fit

A Business Owners Policy, or BOP, is great for small and medium-sized

businesses. Covering most commercial insurance risks, a BOP policy provides coverage for property (including the building, property, and business income), general liability, employment practices liability, cyber liability, and data breach.

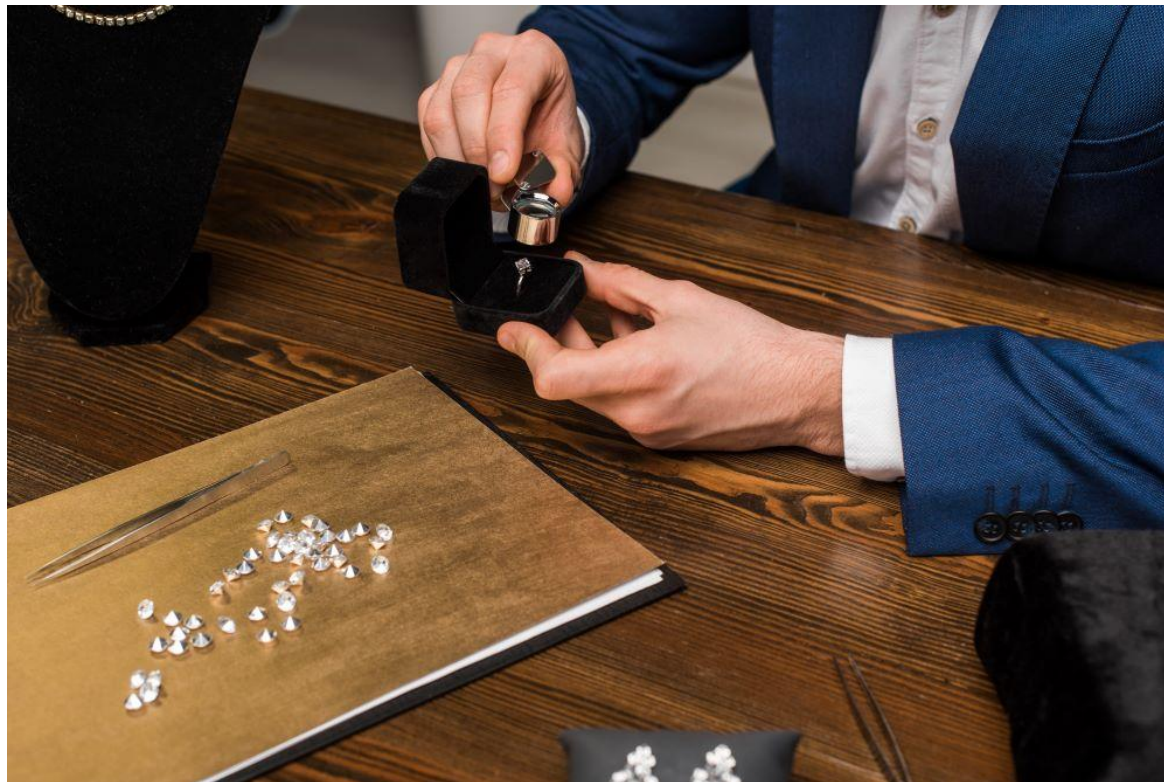
Final Thoughts Regarding Commercial Coverage

The information above is merely an overview of the types of commercial insurance available. Having an insurance professional as part of your support system is a great way to ensure that your insurance portfolio covers all potential risks and fits your budget. There are other types of coverages that need to be considered based on the specific needs of your business. If for example, your business has a fleet of vehicles, a Business Automobile Insurance package would be important. If you have a large number of employees, then an Employment Practices Liability policy or Fiduciary Liability policy might be appropriate.

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For the Love. Questions to ask yourself if you have a jewelry collection.



If you have a love for jewelry, it is important that you ask yourself some questions so that you can make smart decisions regarding your collection's safety. Below are some questions your insurance advocate would like you to consider:

Is your Current Coverage Adequate?

If you are relying on your homeowner's policy to protect jewelry that is lost, damaged or stolen, you should know that the coverage is very limited and subject to a deductible. If you have special pieces with substantial value, we urge you to purchase Valuable Items coverage. There are different types of coverage in which the details vary from carrier to carrier so it is recommended that you speak with your agent and share a bit about your collection so that the coverage can be tailored to your specific needs.

When Was Your Last Appraisal?

Appraisals can help you understand the worth of your valuables. It is important that you have your jewelry re-appraised every 3-5 years to account for fluctuations in the market. It is also important to keep the appraisal in a secure location such as a UL-rated home safe or safety deposit box.

Are You Storing It Properly?

Where you place your valuable jewelry items can make a big difference in keeping your collection safe. When you return home from an event, many people simply place their beloved items in a box or pretty dish on the dressing table; unfortunately, this is the first place someone would look if they entered your home with the intent to rob you.

It is best to keep your special pieces stored in a wall safe with a combination. In fact, storing your jewelry in a UL rated home safe can result in substantial discounts on your insurance policies. You can also choose to keep special pieces in a safe deposit box at a bank and only take them out for special occasions.

Pro Tip: Be sure that this type of safe is bolted down to the floor. The weight of the safe often gives homeowners a false sense of security because they assume it cannot be stolen but that is incorrect. We see frequent claims for a heavy safe being dragged out of the home causing damage to floors and walls

along the way.

Do You Have Photos Of Your Special Pieces?

When you have a jewelry collection, we recommend that you photograph each piece and store the photos in a secure location such as a UL-rated home safe or a safe deposit box. Having a photo stored away as part of your home inventory will be very valuable during the claims process in the event of a fire or burglary. Find out more [here](#).

What To Do If You Travel With Your Jewelry?

If you are planning a trip and want to bring jewelry with you, we advise that anything of considerable value be locked in the hotel's safe. Check with the front desk for details. You are usually required to sign your valuables in and out. When they are not in the hotel safe, be sure to keep them with you.

Final Piece of Advice From Your Insurance Advocate

When you add a piece to your collection, be sure you inform your insurance agent as soon as possible so that it can be added to your policy. Most Valuable Collections policies offer automatic coverage for newly purchased items, but the time frame varies between 30 – 90 days.

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Inside Our Walls

Our Bookkeeper **Christine Striano** is celebrating her 10-year Anniversary with Advocate Brokerage on February 28th.

Thank you so much for your dedication and loyalty!
You gave us quite a scare this year and we are so delighted that you have had an amazing recovery!

Thank You For



10 Years Of Service

Leave Us A Review

Advocate Brokerage strives to provide superior customer service. If you have had a positive experience with Advocate Brokerage, would you consider taking a moment to follow us on social media or [leave us a review on Google?](#)

Also, if you know of anyone that would benefit from our services, we hope you will tell them about us!



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