

# INSURANCE

My Tran Insurance Agency – Farmers

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License 0E66423

951-821-9777



**FARMERS**  
**INSURANCE**

# About "My" Insurance Agent

Born and raised in Southern California

#5 of 8 kids (yes we are Catholic) 4 boys 4 girls

Single mother to 5 amazing kids , 2 girls 3 boys

Agency Owner - Farmers est. July 1<sup>st</sup> 2018

Insurance Agent – AAA 2011-2018

Agency of the Month for June 2019

Blue Vase achievement 2019

Agent of the Year Recipient in 2016, 2017

Full time minivan shuttle service to the children



# YOU OPENED ESCROW NOW WHAT??

- INSPECTION
- APPRAISAL
- COUNTER OFFER
- UNDERWRITING
- COMMUNICATIONS
- ESCROW
- TITLE
- HOME WARRANTY



- TERMITE INSPECTION
- TRANSFER FUNDS
- LENDER REQUIREMENTS
- COUNTER OFFER
- CONTINGENCY
- WALK THRU
- CLOSE ESCROW
- ROOF CERTIFICATION

## WHAT ABOUT HOME INSURANCE

# TYPES OF INSURANCE COVERAGE

## SINGLE FAMILY

COVERAGE A – DWELLING (HOUSE)  
COVERAGE B – OTHER STRUCTURES  
COVERAGE C – PERSONAL  
PROPERTY  
COVERAGE D – LOSS OF USE  
COVERAGE E – PERSONAL LIABILITY  
INSURANCE TO VALUE (ITV)

## CONDO / PUD

COMMON AREAS  
BUILDING COVERAGE  
LOSS ASSESSMENT  
LOSS OF USE  
LIABILITY  
PERSONAL PROPERTY

## COMMERCIAL

BUSINESS PERSONAL PROPERTY  
TENANTS BETTERMENTS AND  
IMPROVEMENTS  
PHYSICAL BUILDING  
BUILDING PROPERTY  
GENERAL LIABILITY  
PROPER COVERAGE

# ITV VS LOAN BALANCE

- Insurance to Value (ITV) – The projected cost to rebuild in the event of a loss
- Loan Balance – The amount owed to the bank on the new property

Often times the loan amount will not be the same as the ITV.



1500 sq ft loft in Hollywood - \$2.4 Mil

Cost to rebuild loft  
\$340,000

Cost to rebuild house  
\$825,000



4500 sq ft house in Katy, TX \$575,000

# California Wildfires 2018



- Deadliest and most destructive wildfire recorded in California
  - Total of 8,527 fires burning an area of nearly 2 million acres
  - By the end of August 2018, Cal Fire alone spent \$432 million dollars on operations
  - As of May 2019, insurance claims to these fires Reached \$12 billion dollars
  - Fatalities 97 civilians and 6 fire fighters killed
  - Destroyed more than 18,000 structures
- 
- As of 01/14/2019 PG&E declares Bankruptcy Chapter 11 due to \$50 billion in potential liabilities from 2017 and 2018 from just California alone
  - Merced Property & Casualty Co assets are about \$23 million and last year had losses surpassing \$64 mil
  - California Insurance Guarantee Association – protects resident claimants in the event of an insurance company Insolvency. However CIGA also has limits and if your claim is in excess of the limits they provide, you will have to put a claim against the assets of Merced (or that county)
  - This loss has caused Non renewals , Declined coverage, Increased premiums and/or use of Surplus lines

# CALIFORNIA EARTHQUAKE AUTHORITY – CEA

## CEA Has the Funds to Pay All Covered Claims

One important question you may be asked is: Can CEA cover my claim? The answer is yes. Because CEA is a publicly managed, not-for-profit state instrumentality, we are required to be financially sound. CEA has more than \$17 billion in claim-paying capacity. In other words, our careful fiscal management has put us in an excellent position to pay all covered claims related to this event. So your clients can rest assured: covered claims will be taken care of.



**DROP!**



**COVER!**



**HOLD ON!**

## **CEA – COMMON QUESTIONS**

### **Q. Does CEA offer stand-alone policies?**

A. No. However, since a CEA policy must be with the same participating residential insurance company that the standard residential (fire) policy is with, you can expand your business by explaining to your insured why adding a CEA earthquake insurance policy is beneficial for their financial recovery.

### **Q. If there's a damaging earthquake, won't the government pay for my insureds to rebuild?**

A. Government assistance, if available, is limited. The maximum FEMA grant available in 2018 is just \$34,000. The average FEMA payout after the 2014 South Napa earthquake was just \$2,670. The goal of a grant is not to return a home to its pre-disaster condition. And while loans for rebuilding houses or replacing personal property are sometimes offered, they must be paid back with interest, just like a mortgage.

### **Q. How does the deductible work for CEA's homeowners policies?**

A. Your insured does not have to pay their deductible out of pocket to receive payment on a claim. The deductible is subtracted from their covered damage, so they don't have to pay any of the deductible up front before receiving their claim payment. Both standard Homeowners and Homeowners Choice offer deductibles ranging from 5-25%. With the standard policy, all of your insured's coverages are together under one deductible. With Homeowners Choice, they can choose to have separate deductibles for their dwelling and personal property. And if earthquake damage meets the dwelling deductible, the personal property deductible is waived.



# Umbrella Insurance



## Auto Insurance Limits

State Minimum 15/30/10

Minimum Requirement for Umbrella 250/500 or 500/500 depending on your carrier

## Home Insurance Limits

Lowest Liability limit available \$100,000

Minimum Requirement for Umbrella \$300k-\$500k  
Depending on your carrier

An **umbrella insurance** policy is extra liability **insurance** coverage that goes beyond the limits of the **insured's** home, auto or watercraft **insurance**. It provides an additional layer of security to those who are at risk for being sued for damages to other people's property or injuries caused to others in an accident.

## How can you help your insurance agent expedite the process for your client?

- Send us the appraisal
- Exact requirements from escrow /lender
- Keep us posted on the COE
- Impound, out of pocket , cash deal
- Build a Relationship with your local agent
- Open Communication



## What do you want from us? How can we better assist you?

- Fast, dependable service
- Evidence of insurance forms on short notice and on time
- Broad coverage options for your customers
- Competitive rates and a variety of discounts