

Thom Polvogt Agency Group

Ten Things Your Insurance Agent Does Not Want You to Know

1. **No Full Coverage.** There is no such thing as “Full Coverage” or “Fully Covered.” You won’t find that phrase in the insurance contract. Many agents use the term “Full Coverage” to indicate that you have Collision coverage* and/or Comprehensive Coverage (sometimes called “Other than Collision Coverage”). This would be in addition to the mandatory State liability coverage. Your insurance agent also cannot claim that your home is “fully covered” because there are exclusions in every policy (for instance; riots, or nuclear explosion, or acts of war, etc.)
2. **Not all policies are the same.** Read the policy. I know everyone tells you to read your policy thoroughly but most folks just don’t. However, there are some real differences in the language of the contracts. Companies that tout the cheapest cost for their auto insurance have language in the contract that supports that lower cost. If you believe the advertisements you will know that there are companies and agents that want you to believe that all policies are the same. I am telling you that they are not all the same. If you read the policy carefully you can see those differences.
3. **It does not matter what the agent says.** I’m not kidding. I understand that you would have built a relationship with your agent and you trust what he says. But the truth is you sign what is in writing not what the agent states. YOU know this instinctively, but if you are like most of us, your laziness wins and you just don’t want to read what you are signing. As Ronald Reagan, “Trust and verify.” So don’t forget the “verify” part.
4. **Credit counts.** Credit is just about the number one factor in determining the cost of insurance. So not only do insurance companies “check” credit (with what is called an “insurance score”) when you purchase your insurance, but they can run your credit if you have a claim. They have an obligation to their other clients to make sure you are not a being fraudulent when filing a claim.
5. **The actual dollar amount of the Deductible.** Look at your Declaration page. If it indicates that you have a 1% deductible or even 2% for **Named Windstorm** (Like Ike) that could mean you get to pay the first \$6,000 for your claim. (Based on a 300,000 house). If the insurance companies increase your AOI (Amount of insurance on the Dwelling) they not only increase the premium but also increase the dollar amount you have to pay before they have liability for the loss. (This is called a deductible.)

*Collision coverage is insurance to pay for the damage done to YOUR vehicle if you were at fault. Comprehensive coverage covers YOUR vehicle for loss by something other than a collision (hail, theft, etc.)

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6. **Commissions.** It's not proper to ask the income of your agent; but asking how much they receive for being your agent is appropriate. It indicates the amount of service you might expect. The agent may get more than just commissions, (bonuses, fees and maybe other monies). Don't get too crazy about this. Just know that they would prefer you not knowing.
7. **The rating of the carrier.** Each insurance company is rated on how well they are able to pay claims. This is important! It is especially important if they have a lot of claims to pay at the same time. These rating (there is a number of different companies that rate insurance companies) are published. Should you request it, the company MUST provide that information. When you have a claim, you want to be with a company that is highly rated.
8. **Adjusters are rewarded for finding problems.** They may not intend to make you feel like a suspect in a criminal case, but they can. They are not rewarded for making clients feel good. They are trying to find the **bad apple** in the bucket full of good folks that are just following procedures in filing a claim. If something smells the least bit funny", expect delays. Know that the fewer claims you have filed and the longer you are with the same Insurance Company the better off you are.
9. **Why the prices are going up.** It is because they don't know either. It is not that the agents don't want you to know, but Insurance Companies have not fully explained the reasons for price increases to agents. Additionally there are so many factors in pricing insurance that it is more and more difficult for someone to know all the contributors to the increase. I think that agents just make their best guess at the reasons for premium changes.
10. **Fences are covered only for Cash Value.** Actually there are a myriad of things that are not "common sense" for the consumer. Some things are standard language. . This information comes out when a claim is made. Another example of this logic would be if you hit livestock with your auto. If you hit a deer, it is covered under "Comprehensive coverage" but if you hit a cow it is a collision. There is logic to the rational, but the logic is about a hundred years old, and now it is just "the way it is."

Hopes this helps.

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