



News for Our Clients

A monthly news bulletin provided by PIA and your insurance agent

Suggestions for Ice and Snow Problems

By now, most of us have seen all of the ice and snow we want to see for this winter, so you might think the tips included in this publication are out of place.

However, our area frequently gets big snow and ice storms during March. If we don't this year, just tuck this away for the future.

Recently Loretta Worters, Vice President of the Insurance Information Institute noted that because of the severe ice and snowstorms on the Eastern Seaboard, claims are now being made to their insurers for property damage.

She noted that the more information you have about your damaged possessions, the faster your claim generally can be settled. That's why we are passing on this advice:

- Call your insurance agent or insurance company's 800 number. Be prepared to give your agent or insurance representative a description of your damage. Your agent will report the loss immediately to your insurance company or to a qualified adjuster who will contact you as soon as possible to inspect the damage. Be sure to give your agent a telephone number where you can be reached.
- Take photos of the damaged areas. These will help with your claims process and will assist the adjuster in the investigation.
- Prepare a detailed inventory of all damaged or destroyed



personal property. Be sure to make two copies - one for yourself and one for the adjuster. Your list should be as complete as possible, including a description of the items, purchase dates or approximate age, cost at time of purchase, and estimated replacement cost.

- Collect cancelled checks, invoices, receipts or other papers to assist the adjuster in obtaining the value of the destroyed property.
- Make whatever temporary repairs you can. Cover broken windows, damaged roofs and walls to prevent further destruction. Save receipts for supplies and materials you purchase. Your insurance company will reimburse you for reasonable expenses for temporary repairs.
- Secure a detailed estimate for permanent repairs to your property and give it to the adjuster. The estimate should contain the proposed repairs, repair costs and replacement prices.

Remember: *Serious Losses Will Be Given Priority.* Even with

many additional adjusters handling the problems, it will take time to process the many claims being filed. If your home has been seriously damaged, your agent will do everything possible to assure you are given priority.

Consumers with claim filing questions can contact the National Insurance Consumer Helpline at 800-942-4242.

The Insurance Information Institute has also prepared a free brochure called "Settling An Insurance Claim After A Disaster." Consumers can get a free copy by sending a stamped self-addressed envelope to the Insurance Information Institute, 110 William Street, New York, NY 10038 or by accessing their web site at <http://www.iii.org>.

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It's Never Different This Time

After three years of negative equity market returns, how do you feel?

Based on conversations with clients, friends, associates, etc., my guess is that everyone is frustrated, disappointed, and disgusted. However, the relevant issue is how do we react to the environment.

Being a student of human nature (at least as a hobby of sorts), I have witnessed the following behavior from investors. (Please note that regardless of participation, everyone is an investor in one fashion or another.)

- Some have their heads buried in the sand.
- Others have panicked and sold everything to go to cash which now pays a whopping 1 percent – or less.
- Some investors have also simply decided to put themselves on hold.
- And, now, we have “experts” coming out of the woodwork and touting allocation of assets for diversification and talking about getting back to basics! Diversification and basic investing principles should be adhered to at all times regardless of the emotion of the moment.

What do these things mean? Regardless of bull markets, bear markets, war, peace, and so on, solid investment principles never change.

The Principles

So, let's review what these principles are:

- Know yourself, your emotions, your goals, your desires for the future, etc.
- Determine how you want your hard work in creating assets to be utilized. (to benefit heirs, charities, causes, etc.)

- Establish numbers to go along with the #1 and #2 items mentioned above.

- Then you can develop a plan of attack for your investments. How assets are allocated to grow your wealth should be personal. It should be based on you (not some cookie cutter pie chart that says if you are 45, this is what you should do, for example).

Other Lessons

Other time-tested lessons to remember include:

- Don't trust the market to accurately 'value' a stock.
- Don't fall into the trap in good times of believing it is easy to beat the market and vice versa.
- Trend following violates proper investment planning and usually works for only short periods, not for the long term.
- History has shown that the market cannot be timed.
- Base expectations on realistic arithmetic, not optimism.
- Buy continuously (dollar cost averaging*) through both

* Periodic investment plans do not assure profit or guard against loss in declining markets. Because dollar cost averaging requires continuous investment regardless of fluctuating price levels, investors should consider their financial ability to continue purchasing shares through periods of low price levels. The purchase and sale of securities should be made on an individual basis considering the risk tolerance and investment objectives of each investor. It is important to note that it is never possible to eliminate risk completely and that historic investment returns to not guarantee future performance. Investments are not FDIC insured, not bank guaranteed, and may lose value.

retirement and non-retirement plans.

- Maintain commitment to your plan unless a major life change occurs which adjusts the objectives defined.

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Quotes

Here are a few other words of wisdom by Jim van den Berg we think you'll enjoy:

- A dollar saved is a dollar earned, but seldom vice versa.
- You can't go by mathematics; the dollar you borrow is never as big as the dollar you pay back.
- The two most important things about your income are: make it first and make it last.
- A system of checks and balances is all right if you have the balances for the checks.
- Credit is what enables people to spend money they haven't earned, to buy things they don't need, to impress people they don't like.
- After a man works his way out of debt, he draws a deep breath of satisfaction, and then goes into debt again.
- Another thing that leads people into debt is trying to keep up with people already there.