Fall '14

Eriesense®

Your life. Your insurance. Your magazine.



Good Coverage for Bad Situations

Tips to avoid the latest identity theft scams

What to do after a car accident

Tools to help you plan a secure retirement

Ask ERIE

Q Does ERIE offer coverage for a rental car if my regular car lands in the shop for a while?

A We do, under a coverage known as Transportation Expenses. This endorsement provides coverage for a rental car while your regular car is being repaired as the result of a covered loss.

This coverage applies to two types of auto claims: collision claims (which result from physical damage to your vehicle caused by rolling over or hitting another vehicle or object) and comprehensive claims (resulting from something other than collision, such as fire, theft or vandalism). Both collision coverage and comprehensive coverage are optional coverages you can choose to add to your policy.

If you choose to purchase optional comprehensive coverage for your car, ERIE automatically provides basic rental car coverage after a comprehensive claim. (In North Carolina, this applies to vehicle theft claims only.)

Things are different with a collision claim. If you choose to purchase optional collision coverage for your car, you'll need to add Transportation Expenses in order to have rental car coverage after a covered loss. (The only exception is Virginia, where state regulations mandate basic coverage at no additional cost.)

Transportation Expenses coverage for collision claims can save you sizeable out-of-pocket costs. It's affordable, too, with coverage for one vehicle starting at just $8 a year.

No surprises at the rental counter

Most insurance companies offer rental car coverage in the form of a daily dollar limit toward a rental car. (Virginia has aggregate per loss instead of a daily limit). This often leads to guess work on your part about what kind of vehicle you can get for a given daily limit. Even if you think you chose the right limit, there's no guarantee it will be enough to cover the vehicle you really want—or need.

ERIE decided to take a different, more intuitive approach.* Instead of a daily limit, you select a class of vehicle you want rather than a daily limit. There are five classes from which to choose:

Class 1: Compact sedan

Class 2: Traditional sedan

Class 3: Small SUV or pickup truck

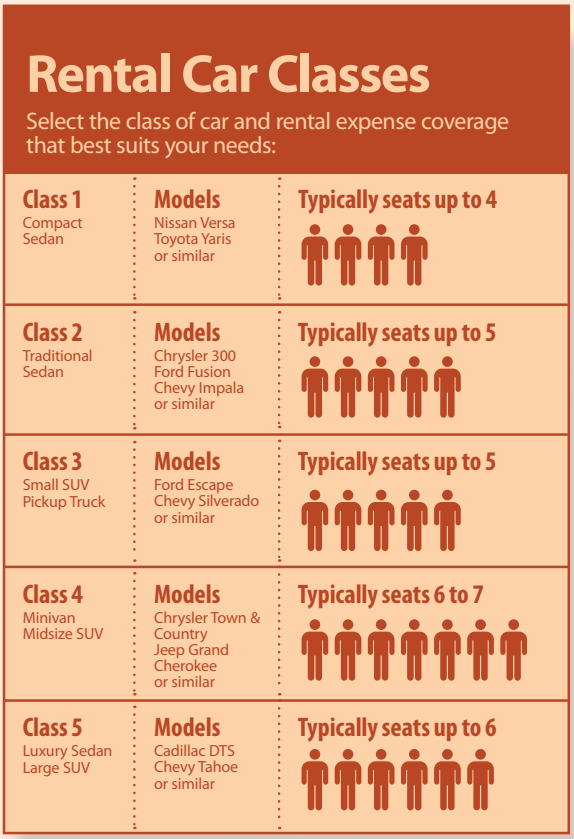
Class 4: Minivan or midsize SUV

Class 5: Luxury sedan or large SUV

"Not everyone knows what $35 a day will rent, but everyone knows what a minivan is," says Cody Cook, a vice president and product manager at ERIE and dad, who chose Class 4 to accommodate his family of six. "By having to choose a class instead of a daily limit, you know you have the right coverage before you need to use it."

Interested in learning more about Transportation Expenses? Then make sure to contact your ERIE Agent. ●

*Due to state requirements, ERIE maintains dollar limits for Transportation Expense coverage in North Carolina and Virginia.



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Crash Course

by Abby Badach

Knowing what to do in the aftermath of a car accident can make things easier for you—and your claims adjuster.

Even the most careful drivers get in car accidents. If one happens to you, the first order of business is to make sure everyone is out of harm's way and gets any necessary medical attention.

After that, it's time to gather and document the facts that will save you time and stress down the line. So take a deep, cleansing breath and follow these tips.

Lesson 1: Get all of the other driver's contact information.

Simply taking down the other driver's name and phone number won't help you (or your claims adjuster) if they avoid your calls. Get an address and license plate number to be extra safe. Also exchange the names of your insurance companies and policy numbers. There's always a chance the driver might not be the car's owner, so jot down the owner's contact information, too.



Lesson 2: Flag down any witnesses.



A witness can be an objective tiebreaker if there's not enough evidence to prove who's at fault or if the other party changes their story.

"Once people start thinking about the potential consequences, they might choose not to own up to them," says Bob Blazek, vice president and claims manager at Erie Insurance. "It is not unusual for the other party to do an about-face, even when you know they're clearly liable."

If the accident occurs in or close to a parking lot, ask nearby businesses if their security cameras recorded the accident. Video footage can be key in determining liability.

Lesson 3: Take pictures.

Speaking of cameras, it's okay to use cell phone cameras to document things. Just make sure you take the right photos.

"People tend to get too close," says Blazek. "You want to have a clear picture of the damage, but sometimes it's so zoomed in on a dent that you can't tell what and where it is."

Grab a few close-ups of exterior and interior damage and any identifying vehicle features (license plate and make/model of the car). Then put the accident in context by taking wide-angle photos of your car that include nearby landmarks, mile markers and weather conditions in the background. If it's safe, snap pictures of the vehicles from a few angles when they're still on the roadway.

Photos of debris, skid marks and other signs of damage are also helpful to have on file. (Take some close-ups as well as some wide-angle photos that put the scene in context.)

Shattered glass or fallen dirt tends to fall straight down, tagging the moment of impact.

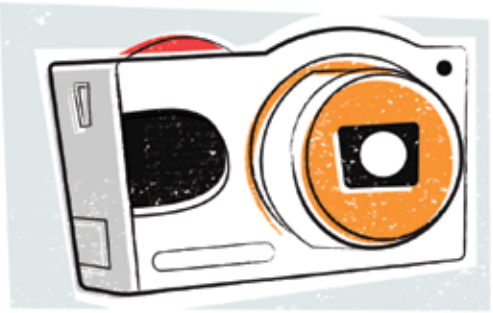


Illustration by Peter Donnelley.

Lesson 4: Make some calls.

First call the police. Even if it's not a serious crash, it's a good idea to get an officer at the scene to take statements, write up a report and file any necessary traffic citations.

Once things wrap up, it's time to report your claim by contacting your Agent or ERIE's 24/7 toll-free claims line. (All contact information is on your insurance card.) You can also file a report at *erieinsurance.com/customer-service*. Remember that your adjuster is there to offer prompt, professional service, help you navigate your claim and answer any questions you have along the way. ●



Four things to never do

Leave home without the essentials.

A roadside emergency kit can help you get back on the road quickly and safely. It can also help you weather a situation in which you need to wait for help. Learn what should be in your kit by visiting e*riesense.com/be-prepared*.



Endanger yourself, your car or your property.

Before anything else, make sure no one is seriously injured. Call 911 if anyone needs medical attention. If the accident blocks traffic, move your car to the shoulder or the berm. While getting photos is important, don't run out into traffic to do so.



Point fingers.

Admitting guilt in the heat of the moment—even if you're sure it was your fault—could complicate things later on. Let the experts determine who's at fault and to what degree. Also refrain from revealing any information about your policy such as its limits.



Lose your cool.

Accidents are tense. But approaching a stressful situation with a cooperative attitude can make all the difference when tempers run high.

"Cooperation is much easier to come by when you are friendly and understanding," says Blazek. "Getting into arguments with people at the scene never leads to a good resolution."



Good Coverage for Bad Situations

by Amanda Prischak

Better protection means less worry.

I'm a safe driver. I don't do risky things. Someone I know would never sue me.

Sound like something you'd say? When it comes to truly terrible events, many people have an "It can't happen to me" mentality. This belief is not only false—it's also dangerous.

"Believe me when I say a catastrophic event can happen to anyone," says Scott Brown, a supervisor in ERIE's Claims Department with 38 years of experience. "Most of the serious cases we see involve simple negligence, not recklessness."

A few examples

Many of the catastrophic cases Scott has seen over the years involve cars. Surprisingly, most do not involve alcohol or drugs.

"Everybody believes they are superior drivers, but we all make mistakes on the road," says Scott. "Anything from a momentary distraction to poor weather can contribute to an accident."

Accidents can have major repercussions if you injure someone else. The same applies if you hit an expensive vehicle like a brand-new luxury car or a commercial truck.

Serious accidents also happen at home due to simple negligence. Some of the most common cases Scott has seen include pool drownings, burns and falls.

Considering the consequences

Beyond the emotional toll serious accidents have on you, there's also a serious financial impact.

If you injure someone or damage their property, a court could very well hold you liable for the costs a victim incurred. Those costs can soar into the millions quickly, especially if a person needs extensive medical treatment or long-term physical therapy.

"The general rise in healthcare costs, along with the fact that our society is growing more litigious, is contributing to a rise in medical claim costs," he says.

An accident that causes a serious injury to someone else could easily exceed an average person's auto liability limits. If your limits are exhausted, personal assets like your wages and savings could be at risk. In some states, even your retirement savings and home could be up for grabs.

How to protect yourself

Basic liability limits on your auto and home are typically $100,000 or $300.000. That's enough for many situations, but not all. In fact, it won't even cover the average jury award for vehicular negligence verdicts. (That currently stands at $531,858—and half of all awards are higher than that.)

Cover story illustrations by Viktor Koen.



In those cases, a Personal Catastrophe Liability (PCL) policy could be a lifesaver. A PCL policy, also commonly known as an umbrella policy, provides an extra layer of liability protection over and above both your auto and homeowners policies. It covers you (or a covered family member) if you're sued because of an accident.

"Believe me when I say a catastrophic event can happen to anyone. Most of the serious cases we see involve simple negligence, not recklessness."

Beyond protecting hard-earned assets, PCL also helps ensure you do the right thing when the wrong thing happens. Unfortunate situations sometimes happen. By having the resources to help compensate someone for their injuries and inconvenience, you'll have the means to help them.

Not just for millionaires

Many people mistakenly believe that only high-net-worth individuals need a PCL policy. In reality, liability risks are everywhere, and they have the potential to financially derail people of modest means as well as multimillionaires. (Experts recommend you cover at least one to two times your exposed net worth.)

ERIE offers Mastercover℠, a PCL policy that lets you choose between $1 million to $5 million of extra coverage. That protection provides worldwide coverage for you and your family. An extra $1 million of coverage—typically enough protection for most people—starts around $200 a year.

Insurance certainly can't stop bad things from happening. But it can help ensure that an accident doesn't leave you, your family and possibly even a victim high and dry. Your ERIE Agent can tell you more about the protection and peace of mind a PCL policy offers. ●



Identity Theft on the Rise

by Jane Bianchi

Identity theft is common—and it can occur in more ways than ever before.

When you think about identity theft, you might picture a criminal eavesdropping with pen and paper in hand as someone reads a credit card number over the phone. That kind of scenario still occurs, but it's practically old-fashioned.

That's because today's thieves can steal your personal information by using far more sophisticated techniques. And they're doing it more often than ever: Since 2010, identity theft has gone from affecting 10.2 million people a year to 13.1 million people annually.

How they do it

Today's thieves can learn a lot about you by simply visiting your social media pages—especially if your settings are public. One common practice is to piece together bits of information you share on various websites. Just a few tidbits they can learn about you include your date of birth, your city, your mother's maiden name, what bank you "like" and what Internet provider you complain about in your posts. That can ultimately help them decode your passwords and access your personal accounts.

"All your data has value, and it's being aggregated," says Eva Velasquez, president and CEO of the Identity Theft Resource Center (ITRC), a nonprofit that helps consumers prevent and resolve identity theft issues.

Last year's massive data breach at Target highlighted how thieves can steal identities through a third-party vendor. It's important to

Stock by Veer.

note that public Wi-Fi connections in locations such as coffee shops, hotels and airports are even less secure. The moment you open your bank account, check your email or shop online, you could be revealing information to a hacker.

Traditionally, criminals used to steal credit cards and then maxed them out. Now they're getting craftier. Some use your identity to get tax refunds, medical procedures or government services such as unemployment benefits.

"It's lucrative for thieves, and the chances of them getting caught are slim," says Velasquez. Plus, even if a thief does get caught, the sentences for white-collar crimes are usually not as harsh as ones for violent crimes.

Red flags

Some of the more commonly known signs that you might be a victim of identity theft include getting collections notices or calls regarding debt you don't remember incurring; finding unfamiliar accounts or charges on your credit report; seeing unexplained withdrawals from your bank account; and having an especially difficult time applying for a loan or renewing a passport or license.

Lesser-known red flags that you might be at risk include the following:

- You get a medical bill or an explanation of benefits for procedures you didn't receive.
- A health plan won't cover you because your medical records show a condition you don't have.
- Your health plan rejects a legitimate medical claim because the records show you've reached your benefits limit.
- The IRS notifies you that more than one tax return was filed in your name and/or that you have income from an employer you don't work for.
- You find errors on your Social Security statement.

A word of warning

The ITRC suggests you keep the acronym SHRED in mind when it comes to preventing identity theft:

S: **Strengthen** privacy settings and passwords (always use eight characters, upper case and lower cases, and at least one number or symbol).

H: **Handle** your personal identifying information (like your driver's license and passport) with care.

R: **Read** your credit reports annually. (Order a free one at *annualcreditreport.com*.)

E: **Empty** your purse or wallet so you're not carrying around personal documents like birth certificates or Social Security cards.

D: **Discuss** these tips with family and friends.

One woman's real- life story

This past spring, Barbara W.* of Elmira, N.Y., received an alarming letter from the IRS. A man whose name she didn't recognize added himself to her tax return. He wanted her tax refund routed to his bank, but the IRS needed her permission first. At the time, Barbara had not even filed her taxes for the year.

"You read about these things, but you never think they could happen to you," says Barbara. "When they do, you feel shocked and violated and unsure of what to do."

Fortunately, Barbara spoke with her Agent at W.J. Farmer Insurance and had decided to add Identity Recovery (IDR) coverage** to her policy before the incident occurred. That extra coverage ended up providing Barbara with the services of a trained case manager to help her through a very stressful time.

"My caseworker filed a police report, put an alert on my accounts and contacted the IRS, my credit card companies and my bank," says Barbara. "I always felt like someone was looking out for me since I could call him at any time."***

In addition to the services Barbara mentions, IDR coverage also provides you with up to $5,000 for lost wages, certain legal fees and more. Your ERIE Agent can tell you more about this affordable—and increasingly necessary—coverage.

To learn more about protecting yourself and your family from identity theft, check out the following articles:

- How to shop safely online during Cyber Monday and more: *eriesense.com/shop-online*
- How to protect yourself from tax scams: *eriesense.com/tax-scams*
- How to protect children from identity theft: *eriesense.com/children-and-identity-theft*

* Last name not used for privacy reasons.

** Information regarding terms and limitations appear in the disclaimer on page 1.

***The limit of coverage is $25,000.

Life insurance can help you achieve a secure retirement.

a Big Boost

by Patti Orton Kuna

Many people only view life insurance as a way to take care of final expenses. While that is an important component, it can also offer major advantages when it comes to planning for a secure retirement.

Two life insurance products used in retirement planning are permanent life insurance (coverage that's in place your entire life that may build cash value) and annuities (a safe investment alternative that includes guaranteed interest rates, tax deferral and an option to have guaranteed income for life).



Even if you have options through your workplace, there are some definite advantages to permanent life insurance and annuities.

Advantage 1: Tax-free death benefit. While 401(k)s and traditional IRAs provide great incentives to save money, their benefits are taxable. This applies even after death—and estate settlement fees and probate fees can eat away at assets you earmarked for your loved ones.

Life insurance death benefits pass on totally tax-free. Meanwhile, interest and cash accumulations generated from a permanent life insurance policy or annuity are tax-deferred. (This means you can generally postpone paying taxes on the interest until you use the money.)

Advantage 2: Liquidity. Typically, you're subject to an early withdrawal penalty if you use money from your 401(k) or IRA before age 59 ½. In contrast, you can typically borrow against the cash value of your permanent life insurance policy or annuity without facing a penalty.

Advantage 3: Flexibility. Traditional IRAs, Roth IRAs and 401(k)s have annual deposit limits that restrict how much you can contribute each year. IRAs also have income restrictions. Permanent life policies and annuities can be structured to allow you to deposit as much money as you want, regardless of your income.

Advantage 4: Affordability. It is estimated that 58 million Americans are uninsured or underinsured when it comes to life insurance. Many forgo coverage because they overestimate the price.

ERIE has a wide range of affordable products from which you can choose. "We work really hard to make sure buying life insurance is not a financial burden," says Greg Wieser, director, Strategic Marketing at ERIE, "because we know it's so essential for our Customers."

Advantage 5: Security. In addition to a tax-free guaranteed death benefit, permanent life insurance can also offer a guaranteed cash value. Annuities, which can offer a guaranteed payout for as long as you live, also offer a high degree of security from a company you can trust. Erie Family Life Insurance Company holds a rating of A (Excellent) from A.M. Best, the largest and longest-established company devoted to issuing financial strength ratings about insurance organizations.

Does life insurance or an annuity sound like something you and your retirement years could benefit from? If so, contact your ERIE Agent to learn more and get a free quote. ●

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Will the Real Chester Nevaeh Murgatroyd Please Stand Up?

by Vanessa Weibler Paris

Do you have a Google Alert set up on your name? It's okay if you do; I have one on my name. It doesn't alert me too often. And when it does, it's usually something I'd expect—either a heads-up about a short story I've published or something work-related, like this column.

But a few weeks ago, an alert took me to *tinyurl.com/NotTheRealVanessaParis*. *This* Vanessa Paris was answering to a single charge of aggravated assault with a knife. *This* Vanessa Paris laughed aloud during the charge's reading. *This* Vanessa Paris was remanded to the local prison.

Was this a different Vanessa Paris? Yes, it certainly was. But did it give me a little shiver even when I knew that *this* Vanessa Paris lives in Belize City? Yes. Yes, it did.

If such a far miss had the potential to give me a millisecond—maybe two—of *oh-NO-did-I-get-arrested-for-a-horrible-crime-and-completely-FORGET-about-it* blinding panic, I can't even imagine how it'd feel to have someone out there really pretending to be me.

The 2013 movie *Identity Thief* is a comedy. But the issue of identity theft mentioned in an article on page 6 is more of a horror flick. And it's one with more potential sequels than *Rocky* or *Halloween*, because the cases continue to rise.

My pal and coworker Michael Smith jokes that he likes the anonymity of his name. Throw in his middle name, Christian, and you're still out of luck: Google will helpfully offer up everything you ever wanted to know about Michael W. Smith, American contemporary Christian musician.

But even he (and other common-named folks like David Miller, colleague, and David Miller, longtime college/friend) can't hide. As the story warns, it's often about what we make public (or, more accurately, fail to keep private) than anything else that keeps identity thieves in business.

Today, it's just as easy to become Chester Nevaeh Murgatroyd as it is to become John Jones…if, for instance, Chester Nevaeh Murgatroyd is checking his bank account from an unsecured Starbucks hotspot or ordering the brand-new Weird Al Yankovic album (yes, there is one—can you believe it?) over a hotel's complimentary WiFi.

What takes the identity-theft horror movie from PG–13 to straight-up R? Most perps don't even get caught. Even more reason to check out the article and make a serious mental note of the red flags you should be looking out for. (Think you know them already? I did, too—but they're changing all the time as thieves get craftier.)



Take note of the "SHRED" acronym and be sure to change your passwords to something super secure….say, Chester1!Nevaeh2@Murgatroyd3#O'Malley4$Kupniewski5%. Or, y'know, something secure but perhaps a *leetle* bit easier to remember.

And now, I'm off to round up bail money. Wish me luck! ●

Vanessa Weibler Paris works in Strategic Marketing at Erie Insurance.

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Fact: Home-based businesses need coverage, too.

Did you know that most home-based business owners need extra protection in addition to their homeowners or renters insurance? A separate policy can cover you if a fire destroys your inventory, a customer becomes injured in your home, someone accuses you of libel or slander, and more.

If you run a business out of your home, contact your ERIE Agent to learn about affordable options to protect your business. You can also learn more at *eriesense.com/home-based-businesses*.

