

# commercial coverage



**McCormick  
Klessig &  
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## Do You Need Rental Car Insurance?

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When the clerk behind the car rental desk slides that form across the counter and says, “Initial here, sign here” and “Oh, check here if you waive liability and collision,” it’s just natural to picture the worst.

Should you check that little box on the rental form? Do you really need that insurance? It’s only a few extra dollars, but why pay more?

No matter what you choose, you may still end up feeling confused and, if you do, you have plenty of company.

According to a survey by the Kansas City, Mo.-based National Association of Insurance Commissioners, nearly 42 percent of U.S. residents don’t understand car rental insurance.

“When renting a car, many consumers purchase unnecessary insurance and end up wasting money. Meanwhile, other drivers inadvertently underinsure their rental car, placing themselves at risk,” NAIC President and Alabama Insurance Commissioner Walter Bell said.

Of the people surveyed, 34 percent of respondents said they purchased the rental company’s insurance just to make sure they were covered, and 24 percent were not sure

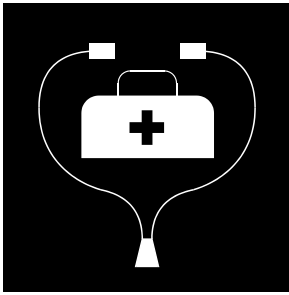


whether their credit card provided coverage when renting a car, the NAIC said.

The NAIC recommends consumers contact their insurance agents and credit card companies before renting a vehicle, to inquire about specific coverage needs. The NAIC noted that company travel is not covered by personal car insurance and rentals of longer than a week might have different conditions.

## Competitive Insurance Companies Make Consumers Winners

Auto, home and commercial insurers were profitable in 2006 and 2007, a development that resulted in either stable or lower premium prices for most U.S. consumers, according to the Insurance Information Institute. “Today, insurance markets are highly competitive and the majority of U.S. drivers, homeowners and businesses are paying only modestly more in premiums, or in many cases less, for insurance than they were just a few years ago,” said Robert Hartwig, president of the Insurance Information Institute. “The major exception to this general trend is hurricane-exposed coastal property insurance coverages, where insurers are seeking to charge premiums commensurate with the substantial risk they assume. The vast majority of the industry’s profits in 2007 will be reinvested back into the business,” Hartwig continued. “Profits continue to bolster the industry’s policyholder surplus, a measure of claims paying capacity, providing an additional buffer against the megacatastrophes that lie ahead.



## Insured Isn't Always Protected

One in four Americans with health insurance is still underinsured, meaning they often use up savings or turn to credit cards to cover medical expenses, according to a survey in Consumer Reports.

"Four out of 10 Americans can't count on having health insurance when they need it," said senior project editor Nancy Metcalf, the article's author. "This includes people who don't have health insurance."

According to the report, 49 percent of all those surveyed and 43 percent of those with insurance said they were "somewhat" to "completely" unprepared for a costly emergency.

"In 2005, we passed a milestone that no country should be proud of, which is that the average cost of a family plan in a workplace-based policy was more than a full-time employee making minimum wage gets in a year," Metcalf said.

## What This Symbol Means To You ...



There is a difference in where you buy your insurance. Many don't realize there are three sources for insurance:

1. Captive Agents—who can sell you the insurance of only one company.
2. Telephone & Internet Representatives—who can offer you the insurance of one company only on the telephone or via computer.
3. Independent Insurance Agents, like us—who represent many insurance companies. We research these firms to find you the best combination of price, coverage and service for all your insurance needs.



## Study Questions Use Of Personality Tests In Hiring Employees

For the past 15 years personality tests have been thought to be valid predictors of job performance. So much so that many employers are now using them when selecting workers or making promotion decisions.

But a group of industrial-organizational psychologists say companies might want to reconsider the use of personality measures in making important hiring decisions and key appointments.

Why? Because personality tests often show very small relationships with measures of job performance, says Frederick P. Morgeson, a Valade Research Scholar and Professor of Management at Michigan State University.

Morgeson and colleagues John R. Hollenbeck and Neal W. Schmitt of Michigan State University, Michael A. Campion of Purdue University, Robert L. Dipboye of the University of Central Florida and Kevin Murphy of Pennsylvania State University, all former editors of research journals where research on personality testing is reported, say these kinds of tests, in fact, suffer from several important limitations.

Their views, published in a recent issue of Personnel Psychology, are likely to cause some controversy within the field. "That's understandable," says Morgeson, "because it challenges the common sense notion that personality is a strong predictor of job performance."

## The Most Valuable Worker Benefit

Health insurance is the most sought-after benefit for employees who don't get coverage through work, according to a survey on what workers value in their jobs.

Comprehensive health benefits also were among the top three reasons employees remain in jobs long term, according to the survey by Kronos Inc., a consulting company based in Boston.

It also found that an employer's paying the total cost of health insurance was a more desirable benefit than a competitive salary.

That is rare now, and it is becoming rarer as employers offset some of the rising cost of health benefits by requiring employees to pay higher premiums, particularly for family coverage, and by raising deductibles.

Wisconsin continues to have the fourth highest rate of insurance coverage in the country, trailing only Minnesota, Hawaii and Iowa. Based on a three-year average, an estimated 514,000 people, or 9.4 percent of the state's population, was without coverage, according to the Census Bureau.

