

Yogi's Corner

Avoid Being Bitten With A Lawsuit! A recent I.I.I. study showed that dog bites account for 1/3 of all homeowners insurance liability claims! You may consider your dog friendly, but even normally docile dogs may bite when frightened or protecting their pups, owners or food. Find out how to protect yourself and your assets by giving us a call!

Find the complete article at www.iii.org/media/updates/press.790552



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SPOTlight on Business

KITHAUS™ = PREFABULOUS!

Do you need a private home office? A playroom for the kids? An art studio or yoga room? How about a place for your in-laws to crash when they visit unexpectedly?

Consider Kithaus, a modular prefab structure that can fit just about anywhere, for possibly less cost and bother than adding on the old fashioned way. And for all you eco-conscious folks out there, it's built with eco-friendly components.

Designed by Tom Sandonato and Martin Wehmann, Kithaus's base model is a 9'x13' structure that "redefines conventional prefab" with its special clamping system that makes installation quick, economic and practically waste free. With a footprint of just under 120 square feet, it can fit into any area, even remote locations, without the need for heavy or large equipment. Its light-weight anodized aluminum pieces are pre-cut and drilled in southern California and shipped directly to the customer for on-site assembly, and installation is fast, taking only a few days. Although professional installation is recommended, the structure can also be assembled by two or three people who have some construction experience. The space is fully insulated and pre-wired, and in most municipalities, anything under 120 square feet (Kithaus is 117) is exempt from permits! If space isn't an issue, the modules can also be used in combination to form larger, custom structures. In most areas, you don't even need a foundation, and because installation doesn't require any ultra heavy equipment, it's not necessary to clear-cut trees or landscaping to provide access, giving you lots of freedom in choosing Kithaus's location and orientation.



Minimal impact to the surrounding landscape is just one of the many "green" aspects of Kithaus. It's also made with recyclable aluminum, FSC-certified wood, dual glazed windows/doors, and has an insulated ceiling, floor and walls. Its flat pack shipping reduces packaging materials, there is minimal waste from assembly, and even a solar package is available!

How much does all this cost and how soon can I have the kit on my doorstep? The base model is \$29,500, but you can add on decks, steps, canopies, and louvers. Kithaus is available exclusively through Design Within Reach (www.dwr.com), and although delivery varies depending on your location, generally you can expect to receive your Kithaus in 4-6 weeks! How's that for fast and easy?

From the moment he was old enough to move out of his childhood home in Patterson, New Jersey, Tom Sandonato sought out alternative living spaces - from a converted school house, to factory lofts and even a teepee. After getting his BFA, Tom moved to New York where he apprenticed for an artists' collective in SoHo. He then designed merchandise installations for Robinsons-May and was finally named VP of store design and planning at Warner Brothers. While planning to build on his desert property in California's Joshua Tree, he became convinced there was a way to construct a simple structure that would tread lightly on the earth. Frustrated with what the current marketplace had to offer, Tom and his design partner, Martin Wehmann, decided to come up with their own prefab, eco-friendly solution. In January 2007, Kithaus was born.

“Luckily It Was Just A Small Fire!” - a True Story From a Client



What happens when a child's plastic toy is left behind on the floor furnace grate of the home Dawn Valentine, Mike Pendergast and their two small children call “Little Blue Sweetheart”?

This isn't a fairy tale, but a real life story that none of us want to experience. It happened in the morning, after the family left for work and school. A neighbor heard their fire alarm go off, saw smoke and called 911, but Mike returned in time to put out the fire with the garden hose. The damage to the house was minor, but the interior and all their furniture and clothing were covered with nasty, black soot – a byproduct of plastic when it burns.

It started out as (what they thought was going to be) a small thing, but soon their spirits and senses of humor were tested as they learned first-hand what home insurance and having a fire loss was all about. Here are some major points they wish they had known beforehand.

YOUR BANK LOAN: When you have a large loss, the bank is your partner. After all, it's their collateral (not your home!) that has been damaged. Their name will be on the checks and sometimes they will set up an escrow account to disburse payment to your contractor. They may also want to inspect the house and make sure the work is done properly before releasing the final payment.

YOUR CLEAN UP CREW: It takes a specialist to get out the smoke and soot without damaging your belongings. If there is water damage, special fans may be needed to dry out the walls so mold doesn't develop. Their insurance company provided them with a referral. The crew did a good job, but a disgruntled employee took off with the lock box key and some personal items.

YOUR CONTRACTOR: You get to pick your contractor, but their bid has to match up to the company's appraisal for the scope of work to be done. Policies generally provide for you to repair the home to its prior condition...but with older homes and building ordinance issues, the process can take time to reach agreement. Knowing what's involved can help you understand why the work can't start immediately.

YOUR ADJUSTOR: Dawn and Mike said their adjustor failed to explain the process or to be available on an ongoing basis. Once they secured her email address, it helped. But, they should have called her supervisor and our agency. We've sometimes had to get a new adjustor assigned to a claim...or have had the supervisor involved until things were moving smoothly.

YOUR REPLACEMENT HOME: When you have jobs and children ages 2 & 4, you need a place to live while they fix up your home. Dawn and Mike lived in a hotel and everything took a lot longer than they ever imagined. It brought them closer as a family, but the adjustor failed to explain their options. It might have been difficult to find a furnished home to rent on a short-term basis, but knowing you have that choice is important.

YOUR AGENT: The toll-free, claim number for the insurance company is a great way to get things started, but you should call your agent and get the big picture of how things work. Then, if things don't seem to be going according to schedule or the adjustor doesn't call you back, call your agent again!! Some of the problems and concerns Dawn and Mike encountered could have been easily resolved by our participation.

“I will never complain about the cost of insurance. I cannot imagine what this whole ordeal would have been like without it.”

After 2 months, the “Little Blue Sweetheart” is good as new and life is going back to normal. The kids made do with less and they spent some quality time as a family. Despite some of the problems, Dawn said, “I will never complain about the cost of insurance. I cannot imagine what this whole ordeal would have been like without it.”

Marina Associates thanks the Valentine-Pendergast Family for letting us tell their story so that others might benefit from their experience!

Our Marketing Director Suzanne Artemoff, a recent first time home buyer, interviews Lynn Ballou, Certified Financial Planner™ and Marina Devoulin, former Realtor® and loan broker, to find out.

SUZANNE: WHAT'S HAPPENING – CAN PEOPLE GET LOANS?

Marina: There definitely are loans for qualified borrowers and the interest rates are quite good.

SUZANNE: THEN WHY CALL IT A “CRISIS”?

Marina: Three reasons: Unqualified borrowers can't get loans; marginal borrowers are having a harder time qualifying – that reduces home ownership opportunities for a lot of people; but the REAL crisis is for those who got variable rate mortgages they really couldn't afford and now are losing their homes!

Lynn: I agree with Marina. Variable loans should not be given to those who can't afford them when they reach their highest interest rate level. Borrowers have not been able to refinance their way out of the mess because they have no equity in the home, resulting in huge numbers of foreclosures. These folks have not only lost their homes, they've lost the money they put down on the homes. Tremendous national wealth has vanished, and so has spending power. The domino effect of equity loss, home loss, neighborhoods losing value, vacant homes, and jobs disappearing and so on has put substantial pressure on the economy, not seen in a long while.

SUZANNE: HAS THIS EVER HAPPENED BEFORE?

Marina: Absolutely – a number of times – just not on the same scale! Once interest rates actually reached 18% and, about 20 years ago, we had the Negative Amortization Loan - the initial monthly payments weren't sufficient to pay even the interest, and the debt kept growing. When the rate “reset”, the borrower was hit by higher interest, higher payments and MORE loan than when they started! Never thought it could happen again!

SUZANNE: WHAT EXACTLY DOES A VARIABLE RATE LOAN DO AND IS THERE EVER A REASON TO GET ONE?

Lynn: Like so many things, if used properly, it's a good tool to have in the tool box. If you have a short-term view of your real estate holding, maybe the after tax cost of the loan will be a better deal than a fixed rate loan. In this interest rate environment, where the spreads are smaller, not so much perhaps. But when rates increase and the spreads increase, it could be a good way to go in appropriate situations. But I can't stress enough how important it is even in this type of case to be sure you can still afford the loan in a worst case scenario in case you keep the property longer than you suspected you would.

Marina: Truthfully, I wouldn't (unless your Financial Planner recommends it!).

SUZANNE: WHY HAS THE MORTGAGE MESS IMPACTED HOME PRICES?

Lynn: It could be said that home prices got way ahead of true value because so many buyers, many of whom we now know should never have been “qualified” for loans, were engaging in a bidding war, creating even more soaring prices and over priced properties. Some economists feel that home prices are now where they should have been all along – that's how far ahead of reality based values home prices were going. Sadly, in some geographic areas, where the underlying economy is taking a huge and deep hit, it may be many years before a recovery is experienced and prices revive.

Marina: I agree - however, as an ex-Realtor® I always stressed that fluctuations in the value of your home are irrelevant if you can afford the payments, and in 30 or so years you will have a paid up property, instead of rent down the drain!



SUZANNE: SO THESE MORTGAGES CAN ONLY CAUSE PROBLEMS ONLY FOR MARGINAL BORROWERS?

Lynn: NO, we are all impacted. For example, because of the serious decline in home values, many HELOC lenders have cut off client lines of credits on perfectly well-off, timely paying borrowers, causing a nightmare for those who had already used the line to its fullest. For those planning on using the line, the credit they thought they had literally disappeared overnight. And that lack of spending power is causing an economic slowdown of sizable proportions. And fear from all of this and the related fall-out is causing negative consumer sentiment, dramatically changing spending habits. We have quite a vicious circle that is going to take a while to work its way through our economy.

This information is for general use only. Please consult your mortgage specialist for information pertaining to your situation.

Lynn Ballou is a Certified Financial Planner™ with Ballou Plum Financial Advisors, LLC.

Marina Devoulin is President of Marina Associates Insurance Agency and a former Realtor®.

Summer Fun Equals Toy Time – but are you covered?



Boats, RV's, Trailers, ATV's, Golf Carts, Dirt Bikes & Wave Runners

by Kathy Lefebvre

With our great weather in California, summer fun toys now extend to year round usage...did you ever think that you might need to insure them? Did you buy the policy the dealer offered, perhaps because of the price, and do you know what it covers? Some people mistakenly assume they are protected by their homeowners' policy but could face a serious liability claim, medical costs or other out of pocket expenses!

I've heard people say, "Oh, I don't need coverage, my dirt bike is off-road, and I wouldn't injure anyone else." Just think if someone hops on the back of your ATV for a quick ride and you crash. Or you're loading/unloading a bike in a crowded lot and it gets away from you, knocking down a small child waiting nearby. Golfers – you make a sudden left to avoid something in the path and your friend falls out and hits his head. Boaters – the wind gusts, causing you to run into the dock, damaging not only your boat, but another boat tied to the dock, or worse, someone is injured falling overboard!

Toys have unique uses and additional coverage needs:

- Motorcycles:** Guest passenger liability, aftermarket add-ons, riding gear coverage
- Boats:** Environmental Damage liability, roadside assistance, trailer coverage
- RVs:** Aftermarket add-ons or special equipment like antennas, satellite dishes and awnings; roadside assistance and living expense coverage if the RV breaks down
- Medical:** Injuries occur in, on and around toys - medical payments coverage provides for expenses health plans don't cover.

If you bought your "TOY" policy from the dealer, send us a copy and let us review it to make sure you have the valuable coverage you need or quote you an alternative!

Kathy Lefebvre is a personal insurance specialist and has been with Marina Associates for over 6 years.

**We Go the Extra Mile for our Clients,
Colleagues and Companies!**



From left to right: Steven Devoulin, Raquel Devoulin, Svetlana Artemoff, Marina Devoulin, Nick Devoulin, Suzanne Artemoff, Kathy Lefebvre

Marina Associates provides their customers with regular, annual reviews. We look for ways to improve your coverage, reduce premium costs and keep you posted on changes that could affect your policies. Insurance Made Simple - Since 1963!

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