



FALL 2013

## What you need to know before hiring a contractor

You've been meaning to replace those loose shingles before the winter winds blow and, as luck would have it, guess what appeared on your doorknob today? A flier from a contractor offering to fix roofs – cheap!

But before you send anyone up the ladder, you'll want to ask a few questions besides price.

In Washington and Oregon, contractors must register with the state and maintain a bond and insurance. Although it's illegal to work as a contractor without those requirements, some marginal operators may skip them and bid projects at cut-rate prices. If you hire someone who's already willing to break the law, there's a good chance he or she is not too picky about other essentials like quality workmanship, building codes, and inspections.

*continued on page 2* ➤



*Before you hire, get written bids from at least three contractors, check registration, and don't pay in full until the job is completed.*

## Jack Frost may be setting you up for a ticket – or worse

A recent PEMCO poll shows that some drivers' ice-removing habits may leave them out in the cold.

About a quarter of residents in the greater Portland area and slightly fewer in Washington admit they don't always finish scraping their windshields clear of ice and snow. That's about the same number who don't know that a frosty windshield can earn them a traffic citation.

Washington and Oregon laws state that windshields must be kept free of any nontransparent material, which includes ice, frost, and snow. Scraping a few holes doesn't offer a broad enough view to react to cars or people coming from various angles.

About two-thirds of drivers fire up their engines to warm the heater – a great idea as long as you don't head back inside to wait while the ice melts. Car thieves troll neighborhoods looking for easy grab-and-go opportunities on frosty mornings. What's more, both Washington and Oregon law prohibit drivers from leaving running vehicles unattended.

*continued on page 3* ➤



WE'RE A LOT LIKE YOU.  
A LITTLE DIFFERENT.



## Unattended lights and candles, over-stoked fireplaces boost holiday fire danger

It's a heartbreaking statistic that mars one of the happiest times of year: Nationally, fire deaths, injuries, and property losses spike by 50% on Christmas Eve and 61% on Christmas Day. It turns out the very trappings meant to bring joy to the season also unwittingly bring danger into our homes.

To keep your holidays bright and safe, PEMCO recommends you:

- **Unplug holiday lights when you're away** or install a timer to turn them off automatically. In a PEMCO Poll, 20% of respondents admitted to leaving lights plugged in even when they leave home.
- **Discard light strings at the first sign of trouble**, like intermittent outages, tiny cracks in the wires, or frayed cords. Consider replacing strings every couple of years – older lights are more likely to spark a fire than lights fresh out of the box. LED lights make a great replacement choice – they're much more energy-efficient and burn cooler.
- **Heed warning labels** to avoid overloading outlets.
- **Burn candles only when you're in the room and awake.** In a PEMCO Poll, 17% of homeowners with children in the house said they don't always use noncombustible holders. December is the peak month for candle fires. Consider battery-powered artificial candles as an alternative.

### Hiring a contractor *(continued)*

#### Bonding and liability insurance

In Washington, general residential contractors must maintain a bond of at least \$12,000 (\$20,000 in Oregon) to pay for repairs if your project is done poorly or if he or she doesn't complete it. Specialty contractors like painters and electricians may have lower bonds.

Washington general residential contractors also need at least \$250,000 in combined property damage and liability insurance (\$500,000 in Oregon). That protects you if, for example, an errant nail punctures a pipe and floods your house.

#### Workers Compensation coverage

If contractors have employees, they must maintain Worker's Compensation insurance to cover injuries if they get hurt on the job.

That's a biggie, since *anyone* injured on your property (neighbor kids, door-to-door salespeople – *and* paid contractors) can sue you for damages. Your PEMCO homeowners policy has your back with liability coverage (up to the limits you selected) and legal-defense costs. But unfortunately, we can't eliminate the angst, aggravation, inconvenience, and sleepless nights that accompany a lawsuit.



*Keep hearths clear to avoid igniting decorations.*

- **Don't burn wrapping paper in the fireplace.** Paper – with its low moisture content and large surface area – burns hot and fast with a high flame, potentially leading to chimney fires. Paper embers tend to float up the chimney and can land on your roof while still ablaze. Gift wrapping also can contain pigments that are toxic when burned.
- **Get your chimney professionally cleaned** every year if you burn more than half a cord of wood annually. (In a PEMCO Poll, 41% of respondents said they “rarely or never” clean their chimneys to remove creosote, a flammable byproduct of wood burning that's responsible for nine out of every 10 chimney fires.) Or, for a low-maintenance option, consider converting your wood-burning fireplace to gas or propane. ■

#### Finding the right contractor

Washington and Oregon have many skilled, ethical contractors. Here are three quick tips to help you find them:

1. **Ask friends for referrals**, check consumer websites, or contact your county's Master Builders Association.
2. **Make sure the contractor is registered, bonded, and insured.** The websites below make it easy to check online.
3. **Get written bids and check references**, including suppliers, who can tell you if the contractor has a responsible payment record.

To learn more in Washington, contact the Department of Labor and Industries at 1-800-647-0982 or visit [protectmyhome.net](http://protectmyhome.net). In Oregon, contact the Construction Contractors Board at (503) 378-4621 or at [oregon.gov/ccb](http://oregon.gov/ccb). ■

#### Suggest an article

*Is there an insurance topic you'd like us to cover in Perspective? Whether it's something you'd simply like to know more about or a consumer tip for fellow readers, we'd love to consider it for a future issue! Please email your ideas to [perspective@pemco.com](mailto:perspective@pemco.com).*

## From your Perspective

### We're never quite sure if we should buy the insurance the rental car company offers. Any advice?

— Jim and Julie G.

Your PEMCO policy covers cars you rent in the United States and Canada the **same as your own car**. However, before you turn down the extra coverage:

- Confirm that your PEMCO policy includes **comprehensive and collision coverage**. If not, you could end up paying out of pocket for damage to a rental.
- If a spouse or child who is listed on your PEMCO policy also will be driving, make sure he or she **signs the rental agreement** as a driver and pays the additional fee. That gives them the “permission” of the car’s owner (the rental car company) so your PEMCO coverage applies.
- **Beware of downtime fees**. If a car is sitting in the repair shop, some rental companies will charge for the days they can’t rent it. They also may tack on administrative fees for handling an insurance claim. Your PEMCO policy doesn’t cover those costs.
- Check with your **credit card company**. Many offer free extra coverage when you use their card to rent a car.

For more considerations, visit “Get Perspective” on [pemco.com/perspective](http://pemco.com/perspective) to link to our rental car fact sheet. Or call 1-800-GO-PEMCO or your local PEMCO agent.

## Solving a runoff problem? Watch where you send that water

As the old saying goes, “Water knows no mercy.” We’d add to that, “And neither does your flooded downslope neighbor.”

Some of the toughest calls we get involve questions about water runoff. They’re difficult because

we can’t provide legal advice or speculate on coverage for claims that haven’t been filed.

Purposely changing the path of water runoff is different than doing nothing and letting the water go where it will. Once a landowner makes changes to affect runoff, he or she may become responsible for the results, including damage it may cause to others.

Our best advice: Make sure water projects follow building codes – for example, properly directing outflow from downspouts to a dry well or street storm drains. If possible, solve runoff problems by keeping the water on your own property (terracing, planting grass or groundcovers to minimize erosion, opting for gravel rather than paved driveways, etc.).

Or, if you can’t, talk with neighbors about a *cooperative* solution. ■



## Could aging water pipes and sewer lines bust your budget?

Your PEMCO policy can protect you against damage from broken water pipes and sewer lines inside your home. Similarly, your utility company takes care of anything under the street. But did you know that you’re responsible for repairing leaks in the pipes running between your home and sidewalk?

The first tipoff to trouble might be a soft spot in the lawn or, more likely, unusually high water bills.

If you think you’re at risk for a broken line (for example, your neighbors have already had a problem or you have shifting soil or potentially invasive tree roots), you may want to consider water and sewer line insurance, now available in Washington. Call us or your local PEMCO agent. We can help you find \$5,000 in coverage (enough for most routine repairs) for around \$8 a month. ■

### Jack Frost (continued)

The poll showed that 53% of responders living east of the Cascades said they deal with ice daily during the winter months. In the more moderate temperatures west of the mountains, weekly scraping is the norm for 60% of drivers. ■

### NORTHWEST FAST FACT

*The ice scraper cometh! Check out these average first-frost dates.*

#### Washington

Spokane, Sept. 10

Yakima, Sept. 21

Olympia, Sept. 30

Bellingham, Oct. 1

Vancouver, Oct. 6

Seattle, Oct. 27

#### Oregon

Klamath Falls, Aug. 31

La Grande, Sept. 9

Hood River, Sept. 24

Corvallis, Oct. 8

Portland, Oct. 18

Gold Beach, Nov. 6

## IN THIS ISSUE

*What you need to know before hiring a contractor*

*Jack Frost may be setting you up for a ticket – or worse*

*Bring a PEMCO speaker to your PTSA meeting or classroom*

*Unattended lights and candles, over-stoked fireplaces boost holiday fire danger*

*Should I buy the rental-car agency's extra insurance?*

*Solving a runoff problem? Watch where you send that water*

*Could aging water pipes and sewer lines bust your budget?*

*Which snow tire is right for you – studded or studless?*

PEMCO Mutual Insurance Co.  
325 Eastlake Avenue East  
Seattle, Washington 98109

**1-800-GO-PEMCO**  
(1-800-467-3626)

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Seattle, Washington 98109

PEMCO  
perspective

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Permit No. 2400



## Which snow tire is right for you – studded or studless?

About the time you're sneaking the last fun-size Snickers from your Halloween stash, you'll need to decide how to get around this winter. On Nov. 1, studded snow tires become legal again in Washington and Oregon. In the last legislative session, both states considered imposing fees on studded tires, known equally for their ice-gripping prowess and road-chewing tendencies. But at least for now, the tires remain fee-free.

So which snow tire's right for you – studded or studless?

The short answer is, it depends on how and where you drive.

Until the 1990s, studded tires were the gold standard for traction control in ice and snow (short of chaining up). Then, along came a new generation of tire compounds with treads that stay pliable in the cold. They rely on contact from the whole tire surface to grip the ice and wick away the thin film of water that forms when warm tires touch ice.

Since then, dozens of (sometimes contradictory) studies have aimed to uncover which is best. Consensus seems to hold that old-fashioned studs still perform best on clear ice that's at or near the freezing mark. However, studless models have the edge in stopping and handling when temps drop below freezing and on wet or dry pavement.

We recommend that before you buy, you talk with a trusted tire professional about how and where you'll drive this winter.

Regardless of which you choose, remember that snow tires work best if you put them on all wheels. ■

### Write a review

Please tell us what you think about PEMCO or our products. Click "Write a review" on [pemco.com](http://pemco.com). We value your candid feedback and may share it (anonymously) on our website.

**SWITCH TO PERSPECTIVE BY EMAIL**

To go paperless, visit  
<http://perspective.pemco.com>.

# Bring a PEMCO speaker to your PTSA meeting or classroom

Parents and teachers, we know that teaching teenagers to drive can be worrisome. And we'd like to help!

PEMCO employees volunteer their time to talk about insurance-related topics for high school classes and parent-teacher organizations. Our speakers are available in the greater-Seattle area (as well as some other parts of the Northwest) to offer three presentations:

## For parents and PTSAs:

- HOW TO IMPROVE YOUR TEENAGER'S DRIVING**

Here's what you can do to help your teen make better choices behind the wheel.

## For high school students:

- HOW TO AVOID TROUBLE ON THE ROAD**

Teenagers' driving behavior differs – here's why, and here's what you can do to help beat the odds.

- AUTO INSURANCE BASICS**

How insurance works, why you need it, and how to keep rates down.

To learn more, please email us at [perspective@pemco.com](mailto:perspective@pemco.com) or complete the back of the postage-paid card below.

# Sign up for PEMCO self-service online

The next time you visit [pemco.com](http://pemco.com), click "Sign in" in the upper right corner to register for a secure PEMCO account online. It's quick, easy, and you'll be able to see all your policies, coverages, and discounts at a glance. Plus, you can request policy changes, pay your PEMCO bill, view your Auto ID cards, and more.

Once you've set up your account, you can download the **Go PEMCO app for iPhone**. Get the best of PEMCO's online features on the go! What more could a Northwest smartphone geek want?



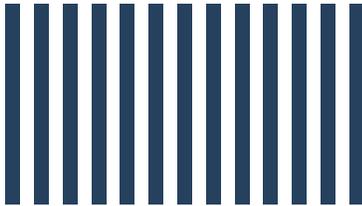
We're just getting started on providing you with tools to manage your PEMCO policies online. Stay tuned, and please tell us what you'd like to see next.



### CELEBRATE YOUR 'LITTLE DIFFERENT' SIDE!

When you sign up for your PEMCO account online, you can create your own unique **Northwest Persona** to share with friends via email or social media.

NO POSTAGE  
NECESSARY  
IF MAILED  
IN THE  
UNITED STATES



## BUSINESS REPLY MAIL

FIRST-CLASS MAIL PERMIT NO. 4924 SEATTLE WA

POSTAGE WILL BE PAID BY ADDRESSEE

PEMCO INSURANCE  
ATTN: MARKETING COMMUNICATIONS  
PO BOX 778  
SEATTLE WA 98111-9858



FROM \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I'd like to learn more about bringing a PEMCO speaker to my classroom or my next PTSA meeting. Please contact me for more information.

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY, STATE, ZIP \_\_\_\_\_

BEST PHONE NUMBER TO REACH ME (     ) \_\_\_\_\_

BEST TIME TO REACH ME \_\_\_\_\_ A.M. / P.M.

EMAIL \_\_\_\_\_

I'm interested in a presentation for:

- young drivers
- the parents of young drivers

You're also welcome to email us at [perspective@pemco.com](mailto:perspective@pemco.com).