



REWARDING RESPONSIBILITY

Perspective

NEWS AND INSIGHT FROM PEMCO INSURANCE



PREVENT PROM-NIGHT PERILS OF UNDERAGE DRINKING AND DRIVING

Bow ties, boutonnieres, glittery gowns, and lacquered locks – the props for a picture-perfect prom. Amid the excitement of finding just the right 'do and dress, it's easy for teens to dismiss the darker side of this big night – the "after parties" and distractions that can lead to tragedy on the highway.

The National Highway Traffic Safety Administration calls April, May, and June the danger season for teens. More than one-third of the year's alcohol-related teen traffic fatalities occur around prom and graduation time. Not only are teens more likely to imbibe then, but they're driving in challenging circumstances. Nerves and excitement, running late to pick up a date, showing off for friends in the car, lack of sleep, or even wearing stiff-soled dress shoes or binding garb can tip the scales against inexperienced drivers.

PEMCO urges parents to make a "Prom Promise" with their teen to include safety as part of the celebration. That starts with setting a prom-night plan founded on conscious choices, rather than simply going with the flow.

Leave the car at home. Prom is all about glamour – and what could be more glamorous than arriving and departing in a limousine?

At about \$75 an hour, teens can easily split the cost with other couples. Or, parents can literally don a chauffeur's cap themselves. (Hint: Skip the minivan. Rent a classy convertible or luxury car, instead!)

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We'd love your feedback!

Drop us a note or send your comments via e-mail to perspective@pemco.com

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INSURANCE FRAUD HURTS EVERYONE

After tax evasion, insurance fraud is the most costly white-collar crime in America, according to the National Insurance Crime Bureau (NICB). Each year, phony or exaggerated insurance claims cost Americans an estimated \$30 billion. That translates to \$200-\$300 in additional insurance premiums *per household*.

Even more surprising is the breakdown between "hard" fraud, the headline-grabbing kind where criminals stage accidents, and "soft" fraud where ordinary people pad otherwise legitimate claims. A study of fraudulent claims by the Insurance Research Council found that professional scammers account for just 10% of dollars erroneously paid out. The "soft" fraudsters made up the rest!

Fraud is a nationwide problem, not just PEMCO's concern. Some analysts say the prevalence of fraud is linked to a misguided jackpot mentality and perception that there's no real penalty for getting caught.

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When insurance criminals succeed, we all pay the price

TIPS TO IMPROVE YOUR TRUCK-SMARTS



You know that panicky feeling. You look in your rearview mirror and all you see is grill – big, shiny, squash-me-like-a-bug truck grill.

Although many of the best drivers on the road make their livings behind the wheel of a big rig, your fear isn't totally unfounded. Trucks are involved in about 11% of all passenger vehicle deaths, even though they make up just 3% of registered vehicles. Or, put another way, 98% of people killed in truck-car crashes were riding in the car.

The disparity comes down to physics. In a case of Freightliner vs. Ford, the Freightliner weighs 20 to 30 times more and requires 20 to 40% greater stopping distance.

Fortunately, there's a lot you can do to improve your odds – especially when you consider that, in nearly three out of four fatal accidents involving trucks and one or more other vehicles, someone other than the truck driver was at fault. These tips can help:

Don't linger near a truck. You disappear from a trucker's view when you're directly behind, in front, and alongside all but the rear corners of the truck. If you can't see the driver's face in the truck's side mirrors, the driver can't see you. Stay 10 car lengths in front of a truck and 20 car lengths in back.

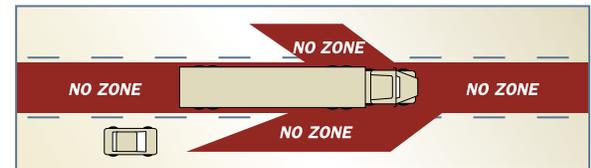
Pass trucks quickly on the left side only, and don't return to the lane until you can see both of the truck's headlights in your rearview mirror.

Be aware of approaching weigh stations and give trucks plenty of room to make their way to the right lane.

Don't cut in front of a truck to beat it to an exit. A loaded truck can take the length of a football field to stop.

Allow for a truck's wide turns. To accommodate its trailer's swing, a truck turning left often must first pull to the right. The opposite is true for trucks turning right. Don't sneak up alongside, assuming the truck has pulled over to let you pass.

For more truck-smart tips, visit www.nozone.org, and for additional statistics on truck safety, see www.hwysafety.org and search "large trucks." ■



CAN YOU PASS THE FIRE EXTINGUISHER TEST?



Replace or refill your fire extinguisher once it's been discharged

At first, it sounds like a no-brainer: Pull the pin and let it blow. But if a small fire flared in your home tonight, could you really knock it down with your household fire extinguisher?

- ✓ Do you know where your fire extinguisher is?
- ✓ Is it charged?
- ✓ Can you use it on combustibles like wood and paper? Grease? Electrical equipment that's plugged in? All of them?

Many fire departments recommend a dry chemical ABC, size 2-A: 10-B: C as the best all-around home fire extinguisher. The ABC means you could fight all the fires mentioned above, and the numbers tell how much extinguishing agent the bottle contains for each type of fire (C doesn't list a number). The bigger the number, the more fire you can put out, but it also means the extinguisher is heavier and harder to handle.

Keep fire extinguishers in the kitchen and garage, but never near the stove (if a fire breaks out at the stove, you'll need to grab your extinguisher from elsewhere). Most home fire extinguishers have a short range of 6 to 10 feet and discharge in about 10 seconds. If the fire is bigger than you are, it's too big to put out with a fire extinguisher.

To use a fire extinguisher, remember the acronym PASS, which stands for "pull, aim, squeeze, and sweep."

Make sure the fire extinguisher is upright, then:

Pull the pin from the handle.

Aim the nozzle low, while keeping the extinguisher upright.

Squeeze the handle to release the fire-fighting chemicals. Move in toward the fire when you can see the fire is being put out, keeping your aim at the base of the fire.

Sweep the extinguisher from side to side until the fire is out.

If the fire doesn't diminish immediately, give up, get out, and call the fire department. If you do put the fire out yourself, keep an eye on the area for flare-ups. And remember: Replace or refill your fire extinguisher once it's been discharged, even if you used only a little. ■

LAUNDRY ROOM FIRES AREN'T UNCOMMON

Each year, lint-choked clothes dryers start more than 16,000 fires nationwide at a cost of nearly \$100 million in property damage. According to the Consumer Product Safety Commission, that statistic makes dryers the most likely appliance in your home to start a fire – topping even toasters and ovens.

Most people are surprised to learn their dryer's lint trap collects only 75% of the combustible fluffy stuff. The rest builds up inside the exhaust pipe and vent, collects on the backside of the drum and around the motor, and clings to wires. If those trouble spots aren't cleaned regularly, lint can impede air flow, making the dryer motor work harder and heat up – perhaps igniting the lint.

Today's home construction styles contribute to the problem. Many laundry rooms are located away from

outside walls (in hall closets, for example), requiring dryers to be vented longer distances with more bends in the hose to trap lint. Improper venting also can create moisture problems, leading to rot or mold.

To reduce your chances of a dryer fire, fire-safety experts recommend you:

- Clean the lint screen after every use.
- Periodically remove lint build-up in the system.
- Don't crush the exhaust pipe behind the dryer. (Crushing can happen over time, especially if you tend to lean on the dryer while folding clothes.)
- Replace plastic exhaust pipe with aluminum. Sheet metal vent pipes are even better.
- Check outside vents for blockages from rodent or bird nests.
- NEVER leave home with the dryer running. ■

TIP-OFFS TO TROUBLE

If your clothes feel especially hot when you take them out of the dryer or they're still damp when the cycle is over, you could have a potentially serious problem. Check your dryer thoroughly before using it again.

BOATERS: CHECK OUT THESE SAFETY RESOURCES

With longer days and warm spring temperatures, the water's calling! Get set for smooth sailing by reviewing the latest guidelines on everything from safety equipment to seamanship.

For Washington waters. Get a copy of the Washington State Parks Department's *Adventures in Boating Washington Handbook*. This free, 100-page online guide contains current safety-equipment requirements, tide tables for the state's most popular waters, navigation rules, Homeland Security restrictions, and more.

You can view or download a PDF version at www.boat-ed.com/wa/handbook (see the at-a-glance safety-equipment checklists on pages 48 and 49). If you don't have Web access, you can

call the Washington State Parks Public Affairs Office at (360) 902-8844 to request a copy.

For trips outside Washington (including Canada). Considered by many to be Bibles of boating, you can purchase these books (updated frequently) at most bookstores and marine supply companies:

- *Chapman Piloting Seamanship and Boat Handling* (63rd edition)
- *The Annapolis Book of Seamanship*.

They include information that may differ from the Parks Department publication (which applies to Washington waters only). We also recommend you check local laws and requirements in the area where you'll be operating your boat. ■

IMPORTANT CELL PHONE TIP



Short battery life combined with spotty on-the-water cell phone coverage (especially outside Puget Sound) could leave you sunk in an emergency! Instead, combine cell phones with a ship-to-shore or VHF radio as part of your emergency communication plan.

Also, you'll want to ask your cell phone provider about *CG service. In areas where it's available, you can press *CG on your cell phone and be connected with the local Coast Guard dispatcher.

QUESTIONS YOU ASKED US

Does PEMCO use CLUE, the database that keeps a history of insurance companies' claims?

Yes. It's one of several tools we use to assess the overall risk of new customers, helping ensure we maintain reasonable rates for all our policyholders. However, PEMCO might differ from other companies in the way we use it. PEMCO primarily focuses on the claims history of the policyholder, not the building or property itself – unless we're concerned about its structural integrity.

We contribute information on all claims every month to CLUE, including newly reported claims. Claims information can be meaningful in assessing risk, regardless of whether a payment is ultimately made or not. (Note: The Fall 2003 *Perspective* inadvertently misstated that only paid homeowner losses are reported.) ■



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For more helpful information, visit *Consumer Tips* at pemco.com

Read current and past issues of *Perspective* at pemco.com/perspective

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PROM NIGHT (cont.)

Limit passengers if teens must drive themselves – no more than one other couple, and be back by midnight. Teen crashes skyrocket on prom nights between midnight and 6 a.m. *Important reminder:* For the first six months the driver is licensed, Washington’s graduated licensing law prohibits 16- and 17-year-olds from 1) driving between 1 a.m. – 5 a.m., and 2) having passengers under age 20, except for immediate family.

Give your teen an escape plan. Even responsible kids can mess up. Make sure your teen understands that – no matter what – he or she can call you for a ride home. Reserve questions for a time when you’re both clear-headed. If your child inadvertently climbs in a car with a drunk driver, he or she can use this trick to get out: *At a safe place*, tell the driver to pull over because “I’m going to be sick.” Once outside, your child can urge the driver to go on without him or her and call home for a ride.

Work with your school, PTA, and local merchants to host a “Prom ’til Dawn” celebration. After the last dance, give kids an alternative to unchaperoned, alcohol-fueled parties by offering free food and entertainment like games, contests, karaoke, magicians, and caricaturists. Hold a grand-prize drawing for revelers who stay all night. If a school party isn’t an option, consider hosting a rental-movie marathon at your house for your child and his or her friends. ■

INSURANCE FRAUD (cont.)

In fact, the consequences can be severe – ranging from denying a claim to a felony conviction including imprisonment and restitution. PEMCO’s Special Investigations Unit scrutinizes possible fraud cases, and we support get-tough legislation for insurance criminals.

You can help fight fraud, too. To avoid getting scammed:

- **Leave plenty of distance** behind the car in front of you. In the sudden-stop con, criminals will stop abruptly, causing you to rear-end their car.
- **Call the police** to an accident, even if damage is minimal. It’s hard for a criminal to embellish claims from a well-documented accident.
- **Carry a disposable camera** in your car to record damage at the scene and the number of occupants in the car.

And if you suspect fraud, you can anonymously:

- **Call or write us** if you have information about a PEMCO claim that might be bogus.
- **Report suspicions** to the NICB at 1-800-TEL-NICB.
- **Call your local chapter of CrimeStoppers.**

You may even be eligible for a reward. When insurance criminals succeed, we all pay the price. Fortunately, we can work together to make a difference! ■

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WHAT KIND OF DRIVER ARE YOU?

PEMCO has again commissioned a statewide poll to learn about Washingtonians' driving habits. Conducted by Informa Research Services, the poll covers topics such as speeding, cell phone use, and teenage drivers. Want to know how your driving stacks up with other motorists? Take our online poll and compare your answers with theirs. Simply go to survey.pemco.com and follow the prompts.

SHARE A GOOD THING WITH A FRIEND!

If you're a proud PEMCO customer, give your friends a chance to enjoy the same great protection and service. Refer your friends to PEMCO!



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2. Give the card to your friend(s).

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