



REWARDING
RESPONSIBILITY

Perspective

NEWS AND INSIGHT FROM PEMCO INSURANCE



WHERE DO YOU KEEP YOUR INSURANCE CARD?

Some people are confused by Washington's mandatory auto-insurance law and the purpose of insurance identification cards. Do you understand what the ID card proves? Do you know where you should keep it?

In all but a handful of states, drivers must carry proof of liability insurance whenever they slide behind the wheel. All Washington insurance companies supply ID cards when they issue or renew a policy. By law, the cards must show the name of the insuring company; the policy's number, effective date, and expiration date; and a description of the insured vehicle *or* the name of the insured driver.

Companies usually opt to include vehicle information on their cards. Some insurers, like PEMCO, also choose to show the name of the first person listed on the policy. For that reason, your

PEMCO ID card may list your spouse's name instead of your own and, for minors, a parent's name. The card is absolutely valid for each driver, regardless of the name shown.

Insurers emphasize vehicle information over driver name because **insurance primarily follows the vehicle, not the driver**. That means if you're driving a friend's car and get stopped by a police officer, you'll be asked for proof of insurance for your friend's vehicle, rather than asked for your PEMCO ID wallet card. Your PEMCO wallet ID would come in handy, though, if it turned out there wasn't a proof-of-insurance card in the vehicle.

Our recommendation: You should always leave your proof-of-insurance card in your vehicle, and it's a good idea to carry your wallet-size PEMCO ID card with you. ■

We'd love your feedback on Perspective! Drop us a note or send your comments via e-mail to perspective@pemco.com

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BEWARE OF UNREGISTERED, UNINSURED CONTRACTORS

It looks so easy on those home fix-it shows: A glamorous design team turns a few hundred bucks and a little elbow grease into a new kitchen worthy of a magazine cover. Truth is, most remodeling projects aren't simple or cheap. And choosing the right registered, bonded contractor can make the difference between a remodeling dream or a nightmare.

Despite the construction boom in recent years, the number of registered contractors in Washington has dropped to 53,000, down from a peak of about 55,000 in 2001. That's when the state updated bond and liability insurance requirements for general contractors, setting bond minimums at \$12,000 and increasing property damage limits to \$50,000 and public liability limits to \$200,000. The Department of Labor & Industries estimates there are 3,700 to 6,300 contractors who aren't registered, even with its efforts to educate consumers and target violators.

Always insist on a detailed written contract

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BETTER HEALTH MEANS LOWER LIFE INSURANCE RATES



The rate you pay for life insurance really is a “sum of your parts” — your height, weight, blood pressure, cholesterol, tobacco use, and other factors. While you can’t do anything about your height, you *can* influence virtually everything else!

Underwriters pay particular attention to a set of factors sometimes called “metabolic syndrome.” When a patient combines high blood pressure, a large waist size, elevated blood sugars, high triglycerides, and low HDL relative to LDL cholesterol levels, his or her risk of heart disease and stroke increases significantly.

While women tend to worry more about breast cancer, they’re statistically *six times more likely* to die from a heart attack. In fact, among *both* sexes, cardiovascular disease claims more lives than the next four leading causes of death combined: cancer, respiratory disease, accidents, and diabetes.

If it’s been awhile since you strapped on a paper gown, schedule an appointment with your doctor for a physical. If a problem turns up, he or she likely can prescribe a drug or lifestyle change that will bring your readings to normal within six to 12 months.

Having been diagnosed with problems like high blood pressure or high cholesterol won’t doom your chances of qualifying for preferred-rate life insurance. We know how effective today’s treatments are, and we’re mostly interested in seeing that your conditions are under control.

Improvements in your health even could reduce the costs for life insurance you already have. For example, a 35-year-old nonsmoking man with a \$100,000 Promise Term policy (20-year term) could save about 32% on premiums by demonstrating he’s permanently lowered his cholesterol reading from 300 to 180. To learn more, call PEMCO Life Insurance Company today at 1-800-GO PEMCO (1-800-467-3626). ■

UNREGISTERED CONTRACTORS (continued)

If you hire an unregistered contractor and trouble arises, you could be on your own. For example, a contractor’s bond guarantees the work will be completed as agreed in the contract. With no bond against which to file a claim, there’s no guarantee there will be money to fix the problem if the contractor skips town or fails to fulfill the contract.

Contractors liability and workers compensation insurance also protects you. If your contractor doesn’t have it and there’s an accidental injury, compensation might be sought from you.

Washington has many talented, ethical contractors, and you can find them by doing some homework:

- 1) **Ask friends for referrals** and check with your county’s Master Builders Association.
- 2) **Check the Labor & Industries Web site at www.Contractors.LNI.wa.gov** or call its contractor registration hotline at 1-800-647-0982 to learn if contractors on your list are registered (and for how long), if there’s action pending against their bond (and if it’s been taken in the past), if they’ve operated under another name, and whether there’s industrial insurance coverage for employees.
- 3) **Interview the contractors** and ask for written bids from at least three. If one seems unusually high or low, chances are the contractor may have misunderstood the scope of your project or plans to use lower- or higher-grade materials than what you had in mind.

- 4) **Get and check references**, including suppliers. Ideally, you’ll be able to visit one of the contractor’s sites with work in progress.
- 5) **When you choose a contractor, insist on a detailed written contract** that includes the full price of the job, sales tax, and permit fees. It should spell out work to be done, materials to be used, start and end dates, and your payment schedule. Usually, you can pay part of the bill before work begins (to cover materials) and the rest when the job is finished.
- 6) **Ask your contractor for a disclosure statement** for projects over \$1,000. (Contractors are required to provide one.)
- 7) **Ask for a lien release at the end of the project.** Down the road, if you get a “notice of intent” to file a lien on your property (coming from suppliers or subcontractors who haven’t been paid by your contractor), you can ask your contractor to give you a lien release signed by those suppliers or subcontractors. If your contractor can’t pay them until you pay him, make your check payable to both the contractor and the supplier or subcontractor.

You can find more tips for hiring contractors at www.Contractors.LNI.wa.gov. Good luck with your home improvements! ■



OVERBOARD SURVIVAL TIPS FOR COLD-WATER BOATERS

If you fell overboard into chilly water, what would be the smartest thing to do:

- Tread water to stay warm?
- Pull off shoes and heavy clothing to keep from sinking?
- Swim for shore?

If you answered “NONE,” you’re right. Deadly myths abound when it comes to knowing the best way to survive in cold water. Heat loss (and the onset of hypothermia) is as much a risk as drowning. The best survival strategies keep you afloat and conserve heat.

Here’s what you *should* do if you find yourself overboard:

- Relax and allow your life jacket to keep you afloat. Kicking and flailing accelerates loss of body heat because blood pumps to your extremities.
- Try to get back in the boat. If it’s overturned, try to right it. If you can’t, crawl on top of it. By getting as much of yourself out of the water as you can, you minimize heat loss.
- Keep your clothes on. Tighten your life jacket, collars, and cuffs. You lose 50% of your body heat through your head, so pull your hood tight. Air trapped inside clothing also gives added buoyancy and clothes help insulate you.

- If you can’t get any part of your body out of the water, “sit” in the water with your head raised, pull your knees up, and fold your arms across your chest. If more than one person has fallen overboard, huddle together (with arms around each other and legs dangling) to maintain body heat. Put children and smaller people in the center. Heavy people cool more slowly than thin ones; children cool more quickly than adults.

Wearing a good life jacket is key to overboard survival — and it’s also the law in Washington for all children under age 13 when riding in boats 19 feet or less. You can learn more about choosing the right life jackets for your family at www.boatwashington.org/lifejacket.htm and find tips on safe boating at www.boat-ed.com/index.htm. ■



SNUG-FIT QUICK TIP

To test the fit of your child’s life jacket, strap it on and pick up your child by the life jacket’s shoulders. If it’s a good fit, your child’s chin and ears won’t slip through.

QUESTIONS YOU ASKED US

I want to start paying my PEMCO policy automatically out of my bank account, but when my policy renewed, I got a paper invoice like always. Why?

When we renew your policy, we’ll continue to use the billing method you selected most recently. If you prefer automatic payments, simply call 1-800-GO-PEMCO (1-800-467-3626) or click “Contact Us” at www.pemco.com. We can easily convert you to EASY-PAY, our convenient payment program.

A speaker from PEMCO recently talked about insurance at my son’s school. Could PEMCO do the same for one of our PTSA meetings?

PEMCO Speakers Bureau comprises employees who volunteer their time to talk on insurance-related topics. The most popular are “Insurance Basics,” typically presented to high school classes; and “How To Improve Your Teenager’s Driving,” typically presented to parent-teacher organizations. Currently, our speakers can honor most requests in the greater-Seattle area, and we sometimes can accept invitations from elsewhere in Washington. To request a PEMCO speaker, send an e-mail to perspective@pemco.com.

My sister, who also has PEMCO insurance, took her car straight to the body shop when it was hit in a parking lot. That’s different from what I remember when I had a claim (someone from PEMCO inspected my car first). Has something changed?

It sounds like your sister used our Timesaver Repair Plan (TRP). It’s been around for a few years now. We’ve checked out and certified body shops across Washington to take our customers’ damaged cars, no estimate needed. TRP-certified shops consistently excel in customer service, quality, and on-time repairs, and they provide a written warranty of their work for as long as you own your car. When you call PEMCO to report a claim, your customer service representative can give you the names of TRP-certified shops in your area. We also offer Claims Drive-Ins where customers can come in for an estimate before taking their cars to any professional body shop. Customers tell us they like the convenience of TRP and the Drive-Ins in getting their cars fixed fast. So, if you ever again find yourself in a fender-bender, know that you likely can handle repairs the same way your sister did. ■



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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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For courteous and prompt customer service, call 1-800-GO-PEMCO

PEMCO RECEIVES J.D. POWER AND ASSOCIATES CALL-CENTER CERTIFICATION

In January, PEMCO earned distinction as a J.D. Power and Associates Certified Call Center.* That means its 1-800-GO-PEMCO call center score is in the top 20% nationwide for providing “An Outstanding Customer Service Experience.”

You probably know J.D. Power and Associates from customer-satisfaction surveys on new cars and other consumer goods. In 2004, it expanded into evaluating call centers. Among the areas evaluated: courtesy, knowledge, concern for customers’ questions and problems, timely resolution of requests, and ease of getting through to a customer service representative.

Call-center certification is valid for one year and must be re-earned annually.

*J.D. Power and Associates Certified Technology and Support Program,SM developed in conjunction with the Service & Support Professionals Association (SSPA). For more information, visit www.jdpower.com or www.thesspa.com.



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We strive to deliver timely information that's relevant to you, and e-mail is the quickest way to do that. That's why we've introduced an electronic version of *Perspective*. To subscribe, simply go to pemco.com/newsletter.

HOW SAFE ARE YOU AT HOME AND ON THE ROAD?

PEMCO has again commissioned a statewide poll to learn about the habits of Washington drivers and homeowners. Want to know how your answers compare with those of other residents? Take our online poll. Simply go to survey.pemco.com and follow the prompts.



WORDS YOU SHOULD KNOW

The following words appear in this issue of Perspective:

Bond — a written obligation to pay specified sums. Consumers can claim against the bond for violations of the Contractors License Law by a licensee.

Liability — insurance that covers the amount a policyholder is legally obligated to pay, including legal and court costs, for bodily injury or property damage caused by negligence.

Lien — a claim on the property of another as security for the payment of a just debt.

Underwriter — someone who examines insurance risks, accepts or rejects them, and classifies the ones that are accepted to charge appropriate premiums. ■



PETS AND HOT CARS DON'T MIX

On an 85-degree day, even with the windows cracked, your car's temperature can skyrocket to 102 degrees in just 10 minutes. For pets left in cars, an owner's dash into the convenience store can become a life or death struggle.

Pets can't cool themselves as efficiently as people. At 110 degrees, heatstroke can set in, bringing with it brain and organ damage and, eventually, death.

If you can't take your pet inside with you as you run errands, the Humane Society of the U.S. recommends you leave it at home.

You'll also want to ensure your pet's safety as you drive. While secured carriers are best for cats, dog owners can opt for a restraining harness. That prevents your furry friend from becoming a dangerous distraction or a flying projectile during a sudden stop. To learn more, search "dogs in cars" at www.hsus.org. ■

NEED HELP? DON'T WAIT!

- Report a claim 24 hours a day, every day, at 1-800-GO-PEMCO (1-800-467-3626).
- For help with your policy, call our customer service representatives from 7 a.m. to 9 p.m. weekdays and 7:30 a.m. to 6 p.m. weekends.
- For questions anytime, you're always welcome to contact us via e-mail. Go to "Contact Us" at www.pemco.com/contact_us/index.asp