EVERHART ADVISORS UNIVERSITY

Personal Insurance 101
Exploring Coverage Types

Using insurance as part of a broader financial-protection strategy

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CK INSURANCE GROUP

Meet your presenter

Chris Korthaus ChFC, CLTC

- Founder and Principal, CK Insurance Group
- Background in financial planning and insurance
- Advises individuals, families and businesses
- Personal, commercial, life, LTC and disability insurance
- Reside in Columbus with my Wife, Son, and our Dog

Cheddar

DISCLAIMER: INSURANCE IS STATE SPECIFIC!

Talk to your local professionals for adherence and recommendations on state specific coverages, laws, and exclusions

Real-Life Scenario we see all too often...

ILLUSTRATIVE CLIENT SCENARIO

Meet the Millers

- Two successful professionals, Family of 5
- Finished basement used as family living space
- Healthy savings and retirement accounts
- Homeowners policy renewed every year without review

THE LOSS

A severe sewer backup damaged the finished basement.

Their policy did not include adequate water-backup coverage.

$28,000 paid out of pocket

The loss forced them to redirect money earmarked for other financial goals.

Building wealth is only half the plan

A complete strategy must do both.

BUILD

Savings • Investments
Retirement • Tax
Estate • Legacy
Planning

The Plan

PROTECT

Property • Income
Assets • Liability
Family • Future

Grow toward the goal and make sure your pathway there is protected.

INSURANCE SCORE

Credit-based insurance factors

Payment history

Debt and credit utilization

Length of credit history

Recent credit applications

Types of credit accounts

Other carrier pricing factors

Prior claims and driving history

Property, vehicle and location

Limits and deductibles

Continuous coverage and payment history

Policies, tenure, mileage and discounts

Factors and permitted uses vary by carrier, policy type and state.

Four policies protect different parts of the same plan

HOME	AUTO	LIFE	UMBRELLA
Property, possessions, living arrangements and liability	Vehicles, injuries and driving-related liability	People and goals dependent on income or contribution	Severe liability beyond underlying policy limits

Different risks. One coordinated financial-protection strategy.

Home protects the household balance sheet

HOME

Market value is not rebuilding cost.

The policy limit should reflect the cost to reconstruct—not simply what the home could sell for.

01 **Dwelling**
Rebuild or repair

02 **Personal property**
Replace belongings

03 **Loss of use**
Temporary living costs

04 **Liability**
Protect against claims

Home gaps begin with assumptions

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DO

- Review rebuilding estimates
- Report renovations and additions
- Create a home inventory
- Schedule valuable property
- Understand deductibles and exclusions

DON'T

- Assume all water damage is covered
- Assume flood is included
- Assume valuables have unlimited protection
- Choose limits using market value alone
- **Wait for a claim to study the policy**

Common gaps: flood • water backup • service lines • valuables • home business

The car may be the smaller auto risk

THE CAR

has a price tag.

Collision • Comprehensive
Rental • Roadside

LIABILITY

may not.

Bodily injury
Property damage
Uninsured motorists
Medical payments

The potential claim can far exceed the vehicle's value.

Auto limits should reflect your financial exposure

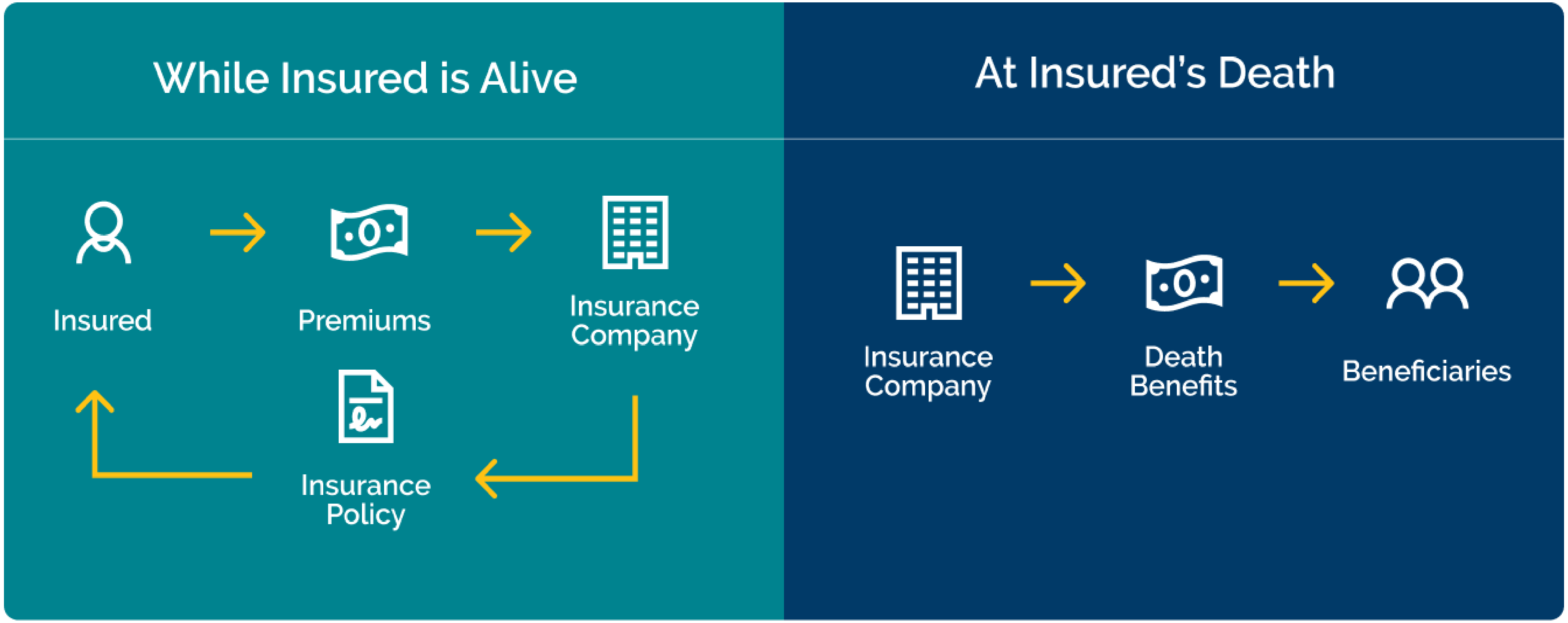
DO

- Align limits with your exposure
- Evaluate uninsured motorists
- Disclose household drivers
- Report changes in vehicle use
- Review youthful-driver coverage

DON'T

- Default to state minimum limits
- Compare policies on price alone
- Assume every driver is covered
- Overlook business use
- Drop physical damage without a plan

Life Insurance



- **Income replacement**
- **Mortgage and debt**
- **Spouse support**
- **Education funding**
- **Retirement goals**
- **Final expenses**
- **Estate liquidity**
- **Business or legacy**

Define the need before selecting the product.

Match the life insurance solution to the obligation

TERM

Defined period

- Temporary obligations
- Lower initial cost
- Duration matches need

PERMANENT

Lifetime design

- Lifetime coverage
- May build cash value
- Permanent planning needs

Calculate the need • review beneficiaries • coordinate with the plan • revisit after life changes

Umbrella coverage adds another layer over major liability risks

PERSONAL UMBRELLA

AUTO

Serious accidents

HOME

Guests and premises

FAMILY

Teen drivers and dogs

LIFESTYLE

Pools, boats and rentals

Protects accumulated assets—and the income you may earn in the future.

Four events show how the protection layers work

EVENT	COVERAGE	FINANCIAL GOAL PROTECTED
HOUSE FIRE	**Home**	Housing, savings and investments
SERIOUS AUTO ACCIDENT	**Auto**	Assets, income and liability
DEATH OF AN INCOME EARNER	**Life**	Family lifestyle, education and retirement
CLAIM EXCEEDS LIMITS	**Umbrella**	Accumulated assets and future income

No single policy protects the entire financial plan.

Claims Advice

PROTECT

People first; prevent more damage

DOCUMENT

Photos, receipts and estimates

DISCUSS

Understand coverage and deductible

DECIDE

Claim or not to claim

Discussing a situation with your insurance advisor, and submitting a claim are two different things

The birth of the $0 Claim...

Common Claim Mistakes

THE BIGGEST
MISCONCEPTION

Insurance covers maintenance and every unexpected expense.

It doesn't.

Other mistakes

- Failing to prevent additional damage
- Letting a contractor define coverage
- Speculating instead of stating facts
- Ignoring the deductible and claim history

Policies respond to covered causes of loss—not wear, deterioration or routine upkeep.

How Protection Strategies Fail

When the client changes and the policy doesn't

That is how policy drift begins.

- Policies purchased independently
- Price becomes the main decision
- Limits lag behind assets
- Reviews stop after purchase, renewals aren't managed
- Carriers are treated as identical
- Drivers, properties, exposures, or beneficiaries become outdated

Insurance can exist—and still no longer match the client's life.

Life changes should trigger an insurance review

- Marriage or divorce
- Child or adoption
- **Change of Address or Vehicles**
- Home purchase or renovation
- Youthful driver
- Rental or vacation home
- Start or sell a business
- Income or net-worth change
- Approaching retirement
- Estate-plan update
- Boat, RV or valuables
- Job or benefit change

REVIEW BEFORE THE LOSS

Not after it.

Advisor and Plan Coordination

CLIENT

Goals • assets • life changes

FINANCIAL ADVISOR

Plan, priorities and consequences

INSURANCE ADVISOR

Coverage, limits and risk transfer

Shared context creates better protection.

Eight questions for your next insurance checkup

- Could my home actually be rebuilt for the insured amount?
- Are liability limits aligned with my assets and income?
- **Who am I trusting to insure my family? (carrier selection)**
- Would the plan survive the loss of my income?
- **Do I understand major exclusions and deductibles?**
- Are drivers, properties and exposures disclosed?
- Do the policies work together without obvious gaps?
- When was my last comprehensive review?

Take this list into your next financial or insurance review.

Main Takeaways:

- Insurance isn’t for every inconvenience
- Hire a trusted professional – the carriers pay for this anyways; you will if you don’t
  - Referrals from your financial advisor, Responsiveness, Google Reviews
- Review insurance versus life updates and changes each year
- Do you know where you are uninsured or underinsured?
- Good News! Exiting a ‘Hard Market’
- Work on your Insurance Score! Stop price shopping, make cuts elsewhere

Questions & Discussion

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