



## insurance & trusts

Trusts can offer substantial benefits to your heirs that go well beyond tax benefits. However, they present new challenges when it comes to homeowners insurance

Many people use trusts to protect their wealth. Although these methods have become commonplace in wealth management and estate planning, they can complicate your insurance. Often, financial planners neglect to take insurance into account when moving their clients' properties into trusts, and the results can be disastrous.

Too often, a claim is filed only to find out we can't honor it because of an issue with the "who" in a homeowners insurance policy. Insurance policies are worded very carefully. In your homeowners policy, it likely lists you, your spouse, and possibly family members as the insured parties. But when you place your home into a trust, you no longer have any insurable interest in the residence and, consequently, you're no longer covered. The solution? Contacting your agent to have the trust added correctly to your policy.

**When putting your home in a trust, one of the first things you need to do is add the trust to your home insurance policy and any applicable umbrella policies.** If the insurance policy is updated properly, the homeowners insurance will cover the residence, the property inside, damage done to another person's property, and liability issues that occur either on the property or off the property with covered items.

With a standard homeowners insurance policy, coverage extends throughout your home, property, and anywhere you take an insured item. For example, let's say the trustor allows the neighbor to take their kayak out on the lake and an accident occurs due to a defect in the kayak. Is an incident like this covered? It depends. Should the neighbor sue for damages, the owner of the kayak (the trustor) will



be covered for litigation costs and possible settlement costs. But the trust will also be named in the lawsuit and unless they've been properly added to the policy, will be responsible for their own defense costs and possible damages.

**It's also important to update your insurance policy immediately.** Even though one benefit of establishing a trust is the privacy it creates, this privacy won't do much good if the involved trustee loses out on their own financial stability due to gaps in coverage. Essentially, setting up a trust and updating the insurance policy should go hand-in-hand.

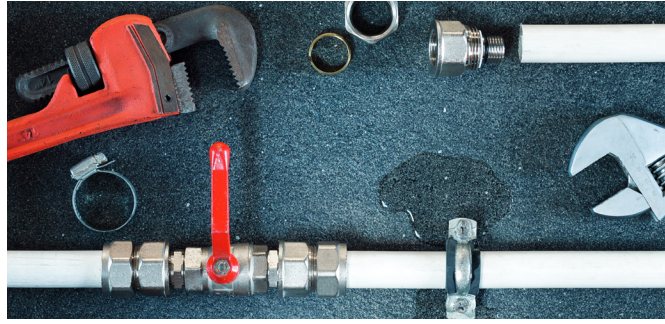
How do you make sure you are properly protected? Continue your insurance coverage in your name as you have before the

trust, but name the trust as an "additional insured" entity. In other words, your home insurance policy should reference the name of the trust and the trust should be named on the insurance policy. Keep in mind that the wording on this needs to be very specific. Simply adding "trust" is not enough, as this is considered a "what" instead of a "who". Only a "who" can be covered in a policy.

Despite the many benefits of establishing a trust, failing to do so the right way, with the proper insurance assignments all around, could have disastrous financial consequences that completely negate the purpose of establishing the trust in the first place. When a trust is properly added to your insurance policy, you still get the broad liability coverage you need along with the personal property protection for the contents of your home.

If you don't see your trust listed on your policy, call or email your agent so we can review any required changes with you. ▲

Call your Forest Insurance Agent to review your coverages today at 708.383.9000.



# Automatic Water Shutoff

As non-weather water losses skyrocket,  
installing an Automatic-shutoff device provides a homeowner discount TWO ways.

In the past insurers offered discounts to homeowners who install automatic water shutoff devices, but as the cost of non-weather water damage claims have skyrocketed in the past few years, more carriers are requiring that homeowners install them as a prerequisite for underwriting a new or renewal policy.

Water damage or freezing pipes was the second leading cause of home insurance claims from 2016 to 2020, according to the Insurance Information Institute. The average water leak goes undetected for more than 75 days, often resulting in serious and widespread damage to a home, according to EMC Security.

These systems can mean the difference between a cleanup with a mop or having extensive damage that takes months to repair and may require the homeowner to move out while the work is performed. Also, once a homeowner files a water damage claim, they can expect to see their premium go up upon renewal or the insurer may even non-renew the policy.

Insurers are primarily requiring these valves for high-end homes because they typically have more frequent and costly water losses due to the number of bathrooms, second floor laundry rooms and complex plumbing systems.

Auto water shut-off valves are installed near your manual shut-off valve, and monitor water flow to detect anomalies. They connect to a smartphone app that pings the homeowner when it is triggered. Some can also be connected to a centrally monitored alarm system for further protection and notification.

Other options called leak-detection systems, include sensors that are placed around the house to detect pooling water from leaks. If water is detected, the sensor sets off an audible alarm to notify the condo or home owner.

There are a number of leak-detection and water shut-off valve products on the market, such as Flo-Logic, Watts, Phyn. They can range from \$200 to \$5,000, depending on the system and size requirements of your home. Many insurance carriers now offer discounts to purchase the devices in addition to the benefit of the discount you will receive on your policy premium.

Even if your insurer doesn't require an automatic shutoff water system, they are a good investment and can mean the difference between cleaning up a small puddle of water and a months-long repair job, in addition to the possibility of having your policy non-renewed and/or paying higher rates.

Call your agent to find out how much you can save by protecting your house with an automatic-shutoff device today at 708.383.9000 ▲

## The Quarterly Charity Animal Care League



For every referral you send to us for a quote from July through the end of September, we'll donate \$20 to Animal Care League. Since 1973 ACL has had a policy of keeping adoptable animals until they could find them a home. No matter how long it takes, they keep an adoptable animal with them until they find the right loving home. Even though the number of animals coming through their doors for help has increased by 100% in the last few years, they firmly believe in this policy & will continue to give every animal the best opportunity possible to find a new home. They have accomplished this by taking proactive approaches to animal care & adoption as well as preventative measures to help reduce the number of homeless animals in our communities.

Visit their website at <https://animalcareleague.org/>  
or email them at [info@animalcareleague.org](mailto:info@animalcareleague.org)



## Home Pool Safety

A refreshing pool on a hot day can be so inviting. Children of all ages enjoy splashing in the cool waters in private home-based pools, swim clubs, health clubs, country clubs and public pools. Every year nearly 300 children under the age of 5 drown in swimming pools in the United States, making it the leading cause of death for children in that age range. Tragically, 87 % of these deaths occur in backyard pools. In addition to that, emergency rooms treat 6,800 pool and spa submersion injuries annually among children age 15 and younger.

With this fun comes great responsibility. Fortunately, you can take steps to substantially reduce the likelihood of an accidental drowning in your home pool. To make sure everyone leaves the pool happy and healthy, consider these safety measures in and around your pool.

- Fencing** Surround the pool with four-sided isolation fencing (at least 4-5 feet high) that separates the pool area from the house and yard with a self-closing and latching gate out of the reach of children. According to the American Red Cross, a four-sided isolation fence reduces a child's risk of drowning by more than 80%.
- Barrier** Install barriers and door alarms/locks out of the reach of children on all doors and windows with access to the pool area.
- Pool Alarm** Install an underwater pool alarm that sounds when someone enters the pool. Make sure the sound is distinctive and has speakers so you can hear the alarm from all areas of the house.
- Pool Cover** Use lockable or powered pool covers when the pool is not in use and ensure they are in good working order. Also ensure the covers have no rips or tears that a child could step through. Be cautious if using a floating pool cover, often used to heat a pool. Because this type often is opaque, a child might not recognize the danger and step through it.
- Drain Cover** Install anti-entrapment drain covers and safety release systems to protect against drain entrapment.
- Pet Doors** Although convenient for your pet, pet doors should not be accessible to the pool area because young children can crawl through them.
- Security** If you have an above ground pool remove, secure and lock any item such as steps, furniture or toys when the pool is not being actively supervised by an adult.
- Storage** Portable pools should be fenced or covered when not in use. If possible, they should be emptied and stored. Remove all ladders or points of entry from around the pool.
- Equipment** Make sure all lifesaving equipment – rings, poles, floats – are easily reachable and available. Seconds are critical when responding to a potential drowning.

Always be prepared for an emergency by keeping a list of emergency numbers near the pool, posted in your house and program the numbers directly into the phone. Make sure babysitters and family know where the posted lists are located. With proper supervision and awareness, pool owners and operators can prevent a tragedy from occurring and help everyone to enjoy their time at the pool!

Call your agent today to make sure your insurance policy includes coverages to protect you as a pool owner. ▲

Some information sourced from Cincinnati Insurance



**Agent Profile**  
Maria Lopez  
Personal Account Manager

Maria was born and raised on the Northwest side of Chicago. Maria and her husband of 34 years have two children, both Chick Evans Scholars, and recently became grandparents to their first grandchild, a boy. Prior to insurance, Maria was in banking for 21 years and has now been with FI for 15 years where she has earned her CISR and AINS designations. Maria enjoys traveling to Puerto Rico to visit family and friends and enjoy the local food, visiting Chicago festivals, attending concerts and dancing. She volunteers with a children's ministry and World Relief assisting with translation for asylum families. She also considers one of her most humbling experiences traveling to a Honduras Orphanage which she has done twice on mission trips.

### FI Birthdays

Judy Shelstad, July 19  
Dan Browne, July 31  
Vickie Mendiola, August 20  
Melissa Keshen, August 25  
Susan Huizinga, September 25

### FI Anniversaries

Susan Huizinga (September-5 years)  
Maureen Monaghan (September-1 year)  
Jeanine Veldman (September-11 years)

### Thank you to our clients who referred a friend or family member this spring.

Mariela A. Acosta  
Larry & Diane Brouk  
Jonathan Campbell & Kim Jackewicz  
Gary Cohen  
Erica Cuneen  
Myriam Espitia  
Michael & Ann Furby  
Danny & Kimberly Goode  
Lise Haberman  
Kevin Hayden & Christine Baissac-Hayden  
Learn Together Grow Together Child -  
Development Center Inc.  
Andrew & Nicole Lennie  
Valerie & Geoffrey Greer Lester  
Little Einsteins Academy LLC  
Johnson & Soji Manappurathu  
Michelle Mascaro & Corynne Romine  
Joe & Amy McIntosh  
Paul & Susanne Monsen  
Thirupathy & Sala Nathan  
Ann Neumann  
Gina & Kip Robbins  
Rochelle's Little Angels Day Care  
Sandy & Gary Schilingo  
Maggie & John Swiss (2)  
Aixa Torres  
Michael & Carolyne Wolf  
Elizabeth Ori & Kurt Wunderlich

When you refer someone to Forest Insurance, we'll send you a \$10 gift card and enter you in our quarterly raffle. In addition, we'll also make a \$20 donation to our Charity of the Quarter.

## Leadership



Dan Browne



Cathy Hall

## Our Team



Fred Arkin



Doreen Banez



Linda Carrera



Silvia Cabanas



Jessica Cusack



John Finn



Mike Frontzak



Susan Huizinga



Marcia Johnson



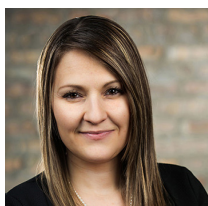
Melissa Keshen



Maria Lopez



Maureen Monaghan



Cristine Saucedo



Judy Shelstad



Jeanine Veldman



Diane Villagomez



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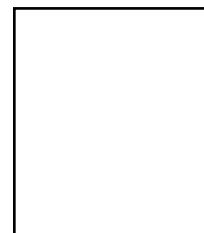
Contact us for more information  
about our services and products.

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