


RAIGRANT INSURANCE BROKERS

BETTER COVERAGE, BETTER PRICE™

NEWSALERT

AVOID FALLING VICTIM TO A STAGED CAR CRASH SCAM

THE STAGED car accident scam is growing as perpetrators are getting craftier about entrapping unsuspecting motorists.

Scammers usually meticulously plan their staged car accidents, leaving nothing to chance. They practice until they get it right and even if you can see the accident was staged, onlookers or witnesses may only catch a glimpse and think they see something they didn't.

Here are some common scams:

The T-bone

The scammer waits for a car to drive through an intersection and then floor it and T-bone your vehicle. When police arrive, the scammer's helpers will claim you ran a red light or ran the stop sign.

The wave

In this scenario, the scammer will see you are trying to switch lanes and they wave you ahead. But when you do switch lanes, they will accelerate and hit your car. Once police arrive to take the accident report, they'll lie and say you switched lanes when it was not safe to do so and they didn't have time to brake.

Dual-turn sideswipe

In this set-up, you have to be in a dual left-turn lane on the inside and if you are close to the lane marker, the other driver will veer into you and claim you came out of your lane and hit them.

They may also have "witnesses" stationed at the intersection to back up their yarn.

Stopping short

The scammer will slam on their brakes when your car is close behind so that you will crash into the rear of the vehicle.

Swoop and stop

In this scenario, a car will suddenly pull in front of yours and stop. Another vehicle will simultaneously pull up alongside your car, preventing you from swerving to avoid an accident.

Furthering the scams

Thesescammersandtheir"passengers" will often also claim injuries they didn't incur. They may also be in cahoots with shady doctors and chiropractors, who will

inflate their billings and order all types of medical services to that end.

Others may go to legitimate doctors and claim back injuries, which are difficult to prove. They may also sue for damages.

These car crash scams can leave you paying for damages you didn't cause. They also take time. Even if your insurer covers the crash and the damage to your car, you will still be without your car for a time and dealing with insurance paperwork and the repair shop.

And the "accident" can lead to higher insurance premiums for you later..

How to avoid accident scams

One of the best ways to avoid being the victim of a fake accident claim is by exercising caution while driving.

Tailgating or failing to leave enough space between your vehicle and a vehicle ahead of you leaves you vulnerable to becoming the victim of a staged accident. All the driver ahead of you has to do is abruptly stop to cause you to crash into the rear of their vehicle.

If you believe you are being targeted by

See 'Camera' on page 2

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GAPS IN YOUR POLICY COVERAGE CAN LEAVE YOU EXPOSED

YOU MAY have auto insurance and home or renter's insurance in place to make sure you are covered in case of an accident.

But, depending on the circumstances of a claim, you may have coverage gaps in your insurance, and policyholders that do put themselves, their family and their possessions at risk.

You should review your policies to see if you have any of the following gaps in your coverage:

Coverage for your valuables

This would include:

- Any collections (coins, stamps, art, etc.),
- Pricey jewelry or watches,
- Electronics.

Most homeowner's policies will typically have a set limit for loss or theft of personal items, such as \$3,000.

Umbrella policy

Regardless of whether or not you're at fault for an accident, you can still get hit with a personal injury or liability lawsuit. And when that happens, you can expect extra costs to mount quickly, what with lawyers' fees, hospital bills, pain and suffering payments.

All of that combined could quickly exceed your homeowner's or auto policy limit, and then your assets would be at stake.

Transportation expenses coverage

Does your policy cover a rental car or other form of transportation if your vehicle ends up in the shop after an accident? If not, some carriers offer a transportation expenses rider.

Transportation expenses coverage can apply to two types of claim: a comprehensive claim (resulting from something other than collision, such as fire, theft or vandalism) and a collision claim (resulting from physical damage to your vehicle caused by rolling over or hitting another vehicle or object).

After a comprehensive occurrence, a transportation expenses policy kicks in to provide a set coverage for a rental car.

Flood insurance

The federal government offers coverage through the National Flood Insurance Program. It's definitely worth considering, as people who live outside of high-risk flood areas file more than 20% of claims with the program.

Not keeping your homeowner's insurance up to date

If you've made upgrades to your home, tell us about it before your next policy renewal.

If you don't, you run the risk of coming up short if you have to rebuild after a total loss.

Report to us all remodeling or renovations, so we can help determine the effect on your home's replacement cost.

Typically, guaranteed replacement cost rules require that you report home improvements worth more than \$5,000 within 90 days of completion.

As you can see, there is plenty that's easy to overlook when it comes to your insurance and protecting yourself and your assets. If you're concerned about any of these issues, call us today. ❖



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If You Suspect a Scam, Call Police, Don't Leave the Scene

someone staging an accident, do not leave the scene. Call the police and let the officers handle taking a report of the accident.

Keep a camera (if you don't have a smartphone), pen and paper in the car so you can take photos and notes at the scene.

More motorists are also installing dash cams that turn on when the car starts and are constantly recording. These can be all the proof you need to refute the scammer's side of the story.

Take pics from every angle of the involved vehicles, with a focus on the damage. Also, capture on camera the license plate, as well as photos of the driver and all the passengers in the other vehicle.

Take down the following information:

- Driver license number.
- Vehicle registration information.
- Car insurance information.
- Name, address and phone number.
- The general height and weight (as well as the ethnicity) of the other car's driver and passengers.

When you report the accident to your car insurance company, you should tell them if you suspect a scam. ❖

INSURE YOUR SEWER LINE, OTHER UNDERGROUND LINES

TOO MANY homeowners assume that a sewage backup or other underground drainage/sewage line is their local government's responsibility - until they have a problem. Homeowners and landlords often only find out too late, after thousands of dollars of damage, that their existing insurance doesn't cover them.

As a homeowner or landlord, your responsibility for sewer line maintenance and repair includes everything from your house to the main sewer line. If there's a blockage, backup or rupture anywhere on the lateral sewer line running from the main to your home, you're on the hook.

The problem

According to The American Society of Engineers, the average sewer line is pushing 30 years old - and in need of serious repair.

In the past, homeowner's insurance routinely covered damage to lateral sewer mains. Today, you usually need to purchase a separate endorsement in order to be covered against the high cost of sewer line blockages, disruptions and backups.

Often these endorsements or riders cover several types of underground utility lines, such as telephone and electrical cabling, as well as water, sewer and gas lines. A typical coverage limit is \$10,000, with a deductible of \$500. Higher coverage amounts are available.

What's covered

Generally, endorsements or stand-alone policies provide:

Living expense coverage - If you cannot remain in your own home during the repair.

Outdoor property coverage - Provides coverage for walkways, sidewalks, driveways, trees, landscaping and other outdoor structures and features of value.

Excavation coverage - Pays for excavating and replacing damaged sewer lines and required environmental mitigation

Expediting expenses - Pays, for example, for a generator that

Threats to sewer lines

- Aging joints and seals
- Encroaching tree roots
- Excess usage
- Freezing
- Flooding
- Corrosion

allows you to remain at home if it's more economical to do so than to pay for a hotel while you wait for the repairs to be completed.

Covered perils to a sewage line may include damage from:

- Wear and tear/age
- Rust, corrosion and/or decay
- Collapse (often not including sinkhole or subsidence collapse)
- Breakdown in mechanical or electrical systems, pumps, sensors, etc
- Freezes
- Contractor digging accidents
- Rodent-caused damage
- Damage from weight of vehicles

Common exclusions to sewer line or underground utilities line endorsements include sinkholes, earthquakes and flooding. Consider getting earthquake, sinkhole and flood insurance to protect yourself against these risks. These hazards are not covered under standard home insurance and landlord insurance policies.

Landlords should look for loss of rent coverage in their endorsement language. This covers them against lost rent revenues in the event their property becomes uninhabitable for a time while repairs are being done.

If you want to broaden your coverage, you can buy endorsements that cover a wider variety of systems, such as HVAC systems, electrical distribution and air and water filtration systems. ❖



RANSOMWARE BECOMES BIGGEST CYBER THREAT

RANSOMWARE IS turning out to be the biggest cyber threat facing companies in 2017 after attacks more than quadrupled in 2016 from the year prior, according to a new study.

If you are not familiar with this fast-evolving cyber threat, typically the perpetrators will essentially lock down your database and/or computer system and make it unusable, then demand that you pay a ransom to unlock the system.

The “Beazley Breach Insights Report January 2017” highlights a massive and sustained increase in ransomware attacks.

Another report, the “2017 SonicWall Annual Threat Report,” found that cyber criminals are shifting their attention from malware and other types of threat to ransomware – as evidenced by a significant decline in the former types of attack and a dramatic increase in the latter.

Here’s what SonicWall saw in 2016:

- Unique malware attacks fell to 60 million from 64 million in 2015, down 6.25%.
- Total malware attack attempts fell to 7.87 billion from 8.2 billion, down 4%.
- Ransomware attacks exploded to 638 million attempts in 2016 from 3.8 million in 2015, up a massive 166 times!

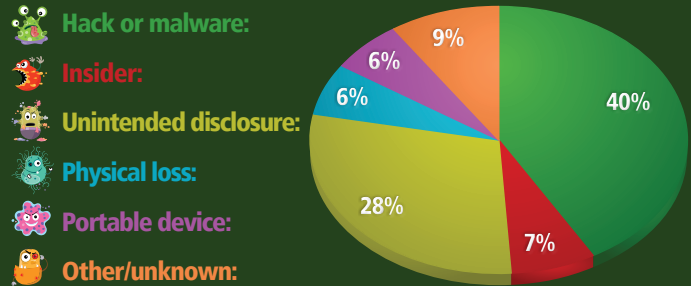
SonicWall’s report estimates that around \$209 million in ransoms was paid in the first quarter of 2016 alone.

“It would be inaccurate to say the threat landscape either diminished or expanded in 2016 – rather, it appears to have evolved and shifted,” said Bill Conner, president and CEO of SonicWall. “Cybersecurity is not a battle of attrition; it’s an arms race, and both sides are proving exceptionally capable and innovative.”

The unprecedented growth of ransomware was likely driven as well by easier access in the underground market, the low cost of conducting a ransomware attack, the ease of distributing it and the low risk of being caught or punished.



HOW RANSOMWARE INFILTRATES Top Causes of Action



Source: Beazley Plc (numbers for financial services industry)

HORROR STORIES

- Hollywood Presbyterian Medical Center in Los Angeles paid \$17,000 in bitcoin to regain access to its data in February 2016.
- Lansing Board of Water & Light paid ransomware attackers \$25,000 after they had paralyzed the company’s information system in April 2016.
- A four-star hotel in the Austrian Alps paid 1,500 euros (about \$1,600) in bitcoin after ransomware had locked up the computer running the hotel’s electronic key lock system, leaving guests unable to enter their rooms.



Ransomware is also growing in both sophistication and type of attack, and the hackers are proving to be inventive in how they can cripple your business enough to elicit the ransom.

When you are most vulnerable

There are some times that businesses are more susceptible than others in being targeted for an attack.

“Organizations appear to be particularly vulnerable to attacks during IT system freezes, at the end of financial quarters and during busy shopping periods,” the SonicWall report states. “Evolving ransomware variants enable hackers to methodically investigate a company’s system, selectively lock the most critical files, and demand higher ransoms to get the more valuable files unencrypted.”

Ransomware enters a company’s system in a variety of ways.

The most common method is when an employee clicks on a link in a bogus e-mail that opens the door to malicious code to start rifling through your systems. But more often, an employee unintentionally clicks on a link or sends information.

The types of attack will vary from industry to industry. ❖