

At Your SERVICE

Frye Insurance Associates, Inc.

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Well here we are again, Newsletter time! We've salvaged just enough from the ashes of our investment portfolio to make sure you don't miss our annual contribution to your insurance education & entertainment. In times such as these we make it a point not to comment on the economy (Titanic) or nature of our political leadership (competent?) who work diligently in our best interests insuring a prosperous future for all..... some.... well..... most.....okay a few. Most in our industry continued to honor obligations, paying for things like Gustav & Ike as well as the routine daily mayhem of auto accidents, fires, thefts, lawsuits & the like. As institutions crumble around us a word or two about the Erie may be in order. The company was founded in 1925 just four years before that nasty stock market thing in 29' followed by the depression which was followed by a world war followed by a cold war, followed by a great many troublesome things since. As a testament to what responsible management can do, the company not only survived, but prospered, as it does to this day. All of which means that you're insured with the right people! Adding our agency to the mix makes it clear that you have excellent judgment, not to mention superior intellect.

Into The 21st Century...



As you can see, we have officially entered the 21st century with the old newsletter now "on line". This change in format will increase the volume of information we can pass along and reduce the need to edit for space considerations. It also allows us to include photos & other graphics that were previously not at all practical. Of course if you prefer we'll be happy to send along a paper version. Just give us a call, e-mail or drop us a note. We also have printed copies here in the office in case you stop by.

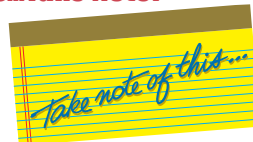
Candles...

For those of you who've been reading our newsletter over the years, it will come as no shock that we are wary of candles. The fact of the matter is that they cause fires, and particularly so around the Holiday Season. For what it's worth you can now purchase very realistic flameless candles. They have the flicker of a real flame and even give off a variety of scents. Powered by three "AAA" batteries, they're a much better alternative, particularly if children are around. Our own Ellen has used them for quite some time. They're found in most department stores as well as on the internet & are priced from about \$8.00. Call us if you have any problem finding them.



Condo Owners...Take Note!

There was a major change in Maryland law this past year that requires the attention of all condo owners. The court decision places greater responsibility on individual unit owners in terms of what property or portion of their condo they must insure. Essentially this serves to redefine property that may have been insured under the "master policy" on the building, shifting the responsibility to the unit owner. We urge you to speak with your property management company or condo board representative to see if changes have been made. If you have questions or if you need assistance be sure to give us a call. This is extremely important. Failure to address your situation could result in a loss that may not be covered under your policy. Again, we are here to help you so feel free to call.



Control Rover...



Dog bites now account for one third of all homeowner liability claims. In 2007 that added up to about \$356 million. The average cost per claim was over \$24,000! Yet another good reason to have an Erie Personal Catastrophe Policy.

Left Turns...

We always appreciate the driver who stops to wave us across traffic when we're trying to make a left turn. Keep in mind however that the final responsibility rests with you. Each year we see a number of claims where a policyholder is waved across several lanes of traffic only to be broadsided by a vehicle that isn't quite so courteous or simply doesn't realize that you've been waved across. Wait until you see that the lane is clear. Because these are side impact collisions, they are often rather serious.

E-Mail addresses...

I would imagine that many years ago insurance agents were busy trying to gather numbers as the telephone proliferated. We find ourselves in a similar situation with e-mail. There's a good chance we'll ask for yours next time you call. And, even if we forget please pass yours along to us. It's one more line of communication that may come in handy, particularly in the event of a claim. For better or worse, they seem to be the preferred means of communication for many. Keep in mind however that you SHOULD NOT rely on e-mail to make changes, request coverage or report claims.





THE AUTO CORNER

Always review your policy to make sure that the vehicles listed are up to date. Do not rely upon the salesperson to notify us of a new vehicle as they often fail to do so.

Liability Limits: We believe that EVERYONE should have at least one million dollars in liability protection! This is best accomplished with a Personal Catastrophe Policy however, we will be happy to discuss increasing the limits on your auto policy. Please call us! Remember, a claim that exceeds your limits can result in financial disaster!

Deductibles: Higher deductibles save money! Be prepared, however, to pay in the event of a claim. We will be happy to provide you with alternative deductible rates.

PIP/(Personal Injury Protection) - This coverage, which is mandated in Maryland, provides you with medical expenses and lost wages. The minimum required is \$2500 or you may carry as much as \$10,000. There is also a provision for waiving it completely for yourself. Let us know if you wish to make changes.

Your Uninsured/Underinsured Motorist Coverage is extremely important. When you receive your auto policy at renewal, make certain that the limits for this coverage are the same as the limits for your Bodily Injury Liability Coverage. Call us if you have any questions or if you detect a discrepancy.

Loss of Use or Rental Expense: Make sure that you have enough coverage to rent a car that suits your needs. We suggest at least \$30 per day but locally, \$40 or even \$50 per day may be more appropriate. Please be sure to review your policy to make certain you have the coverage you requested and that is required to meet your needs. Call us if you have any questions or concerns.

Loaning Vehicles: Lending your car to someone is very risky. The problem is that YOUR COVERAGE is primary! There is a wide spread misconception that auto insurance follows the driver. This is incorrect! The insurance follows the vehicle, therefore, an accident with someone else driving your vehicle with your permission is charged under your policy.

The recommended liability & uninsured motorist limits are general in nature. Your assets and financial condition may be such that you are in need of higher limits. We must rely upon you however, to so advise us. We are always available to help you address these concerns.

The Old Erie Annuity...

As this is written, the financial markets continue to unravel with once double digit returns now turning into losses. As you contemplate your situation don't forget the Erie Annuity. Through thick & thin, good & bad this product has held it's own. Considered rather conservative, it is nevertheless a safe place to park some money especially if your stomach can no longer take the gyrations of the marketplace. As of this date the interest rate is as high as 6.9% with a guaranteed minimum of 4.4%. Call us for an up to date quotation if you're interested. Rates vary depending on the sums involved as well as other factors. This is a great, secure place to park your 401K money. There's a very good chance you might even sleep a bit better.



Poor Economy = Higher Crime Rates...



Some police departments are reporting up to a 40% increase in thefts from vehicles over the past couple of months.

Locking your car should be an automatic ritual even in your driveway. Electronic items are a prime target but you should avoid leaving any items in plain sight. So, lock the car & set the alarm.

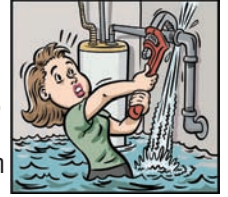
Floods...

Flood damage is not covered under your homeowner policy. And while many people only worry if they're close to the bay, ocean or some body of water, the standard line is "if it can rain where you live, it can flood". We can provide flood coverage for you. Just give us a call.



Water Damage...

The damage from water that escapes from your plumbing system or an appliance is covered under your policy. Believe it or not, it is one of the most common property claims! A word of advice; If you're leaving your house for any length of time, even over a weekend, it's a good idea to turn off the main water supply. We see very serious damage from pipes & appliances that leak. In some cases water has run for days causing a catastrophic situation.



When You Move...

Obviously we need to know when you change your address. Along with that information it is helpful if you can tell us what policies you have with our agency. While we can usually cross reference Erie policies, your life insurance for example may be placed elsewhere. We do have systems in place to remedy this but it never hurts to pass along the information when you call with the address change.

The Erie "Quality Agency Award" ...



This prestigious award is presented annually to one agency in each Erie District. Essentially, it serves to recognize the agency that best exemplifies attributes the Erie strives to instill in representing the ideals of the company. Providing excellent service to policyholders is just one of these qualities. The exclusivity of the award is such that the same agency may not win it more than once every five years. Some never do. We are proud to be among a very select few who have won it twice.

Oops...

An article in the Frederick News Post of April 9, 1908 would seem to indicate that medical science was somewhat lacking at the time. For prior to that date a Miss Hammond's funeral was suddenly suspended when "signs of life were discovered just before internment". Can't help wondering if they were still charged for the funeral.

An Air Attack on Washington? Not a New Idea...

Ideas about attacks on Washington by air didn't originate in 2001. Take a look at the map route from June 17, 1916 with the caption "A Raid On The Capitol". This practice flight was actually made as noted in the article which appeared in The Literary Digest. Considering the nature of aircraft in 1916 this was a rather daring trip even though it was only from Newport News.

The Literary Digest for June 17, 1916 1777

A RAID ON THE CAPITOL

THE ACCOMPANYING MAP of the route taken by Steve MacGordon in his recent spectacular aeroplane "raid" on the Capitol at Washington, designed to show how easily that building could be destroyed with bombs by an aviator, is taken from *The Aerial Age Weekly* (New York, May 1).



Erie Rates, Great News...

The Erie is again VERY competitive with autos & homes. While we've always been in the mix, we're starting to open the price gap on our competitors. We just saved an Allstate policyholder a total of \$495 between the auto and home! Likewise with Nationwide we just saved one driver over \$500 on one car! In another case we saved the client over \$800 on three vehicles. That's serious money! The Erie is determined to once again become THE COMPETITION! Throw in service that is unequalled in the industry and you have a great value. Don't keep us a secret! Friends & neighbors love it when you save them money particularly in this economy. We'll give them a quote right over the phone & needless to say, treat them with the utmost courtesy.

Speaking of Rates...

While diversification is prudent in investing, it may not be so when it comes to your insurance. A variety of multi-policy discounts available from the Erie can really add up to significant savings when you insure your cars, home & life with the company. Besides, there's a certain value in having only one number to call when you need us. Check us out.



Congratulations...

As everyone knows, Laytonsville is the show business capital of the nation. Just this past year long time friend & policyholder Dudley Connell along with blue grass group the Seldom Scene was nominated for a Grammy. Dudley is guitarist and lead singer.



Even More Congratulations...

Policyholders Sean Fine & Andrea Nix Fine were Academy Award nominees for "War Dance", a documentary they wrote, directed & edited. The film tells the story of Ugandan refugee schoolchildren escaping civil war by training for a dance competition.



Sure, We Think We're Great, But What Do Our Customers Say?...

"You guys know you are the best and that is why we have been customers there for over 25 years. When you're treated good you stick around. You're wonderful." - Cindy P.

"I cannot thank you enough and the rest of your staff for all the support that you have provided throughout these many years of association." - Barbara G.

"The prices are always competitive and the personal service is excellent. It is always a pleasure for me to recommend your agency to my friends and business associates." - Roger R.

Thank you so much for what you did for me. It is so nice to know that there are people like you near by to help out." - Pat M.

And that's just a few. We perform as we promise, a unique characteristic in today's business environment.

The Second Annual Polar Bear Plunge...



The folks who decided to jump into the Chesapeake last January are planning on doing it again! Yes this coming January son John, our own Marcello and a number of our policyholders will brave the frigid waters near Bay Bridge with a bone chilling dip. The annual event benefits the Special Olympics of Maryland.



The Holidays Are Coming . .

The Holiday Season will be here before you know it. So here's the annual reminder list that will help keep your family safe and your house standing after the festivities:

Light Strings: They're cheap! Don't use the old ones!

Extension Cords: Also cheap! Please, no tape.

Candles: Cheap but dangerous! Please, please, don't go out or to bed with them burning. **THEY DO CAUSE FIRES!**

Cut Trees: Keep them watered and away from any flame! Remember, "When the needles turn brown, take them down".

Don't Have a Personal Catastrophe Policy?... You Should!

There are very few absolutes in the world but here is one. Feel free to have it laminated for your wallet. Everyone should have a Personal Catastrophe Liability Policy . . . PERIOD! Not only is this an excellent value in terms of cost, but the additional level of protection is vital in today's litigious climate. In brief, the policy adds an additional \$1,000,000 in liability protection over and above your other liability exposures including your auto, home, rental properties, seasonal properties and, if you have one, your boat. Call us. Your assets and financial condition may be such that a \$1,000,000 limit is insufficient. We must rely upon you to advise us accordingly. We will be happy to discuss your particular situation. The current general recommendation is a \$2,000,000 limit.



Protecting Your Home

If you are like most of us, your home is one of your largest investments. Listed below are some available endorsements which can add valuable features to your policy. In the event of a loss, these may often determine whether the claim is paid and the amount of coverage available:

The enhancement endorsement: For a charge of \$50 per year, this form will expand your coverage to include theft of jewelry to \$5000, (your current policy includes only \$3000) sewer & drain backup and a varied range of other enhancements. Call us for details.

Insure your home and all property at 100% of its full value! Not 80%, not 90% but 100%. If you have a serious fire or some other type of loss which causes severe damage to your home, believe me, your premium will become one of the most insignificant issues in your life. We have stood in the ashes of \$200,000+ homes and can assure you that the cost of the policy is never discussed. **IF YOU HAVE DOUBTS ABOUT YOUR CURRENT COVERAGE, GIVE US A CALL.** We'll be happy to help you make certain that you are fully insured.

Keep the value of your jewelry updated. We suggest having the more expensive items reappraised at least every three years. But, be sure to review everything each year when you receive your renewal policy to make certain that we're up to date. We suggest that you speak with your jeweler.

The ordinance or law endorsement! Have you ever given any thought to the following situation? Your house is destroyed or even partially destroyed by fire. You have sufficient coverage to rebuild, however, guess what? Local zoning laws now require that you add a sprinkler system to the house or perhaps the new zoning requirement mandates that your house cannot be reconstructed on the same foundation but must be moved a few feet from its original location. Who pays? You do unless you have "ordinance or law coverage." The cost of this coverage is about 10% of your basic premium. A good value! By the way, this is included in the above mentioned enhancement endorsement. Please be sure to review your policy to make certain you have the coverage you requested and that is required to meet your needs. Call us if you have any questions or concerns.

If you add to your home or if you construct an outbuilding or garage, be sure to let us know. Remember, while the policy provides full replacement cost you must notify us within 90 days of the start of any such improvements.

ONE FINAL WORD. DON'T BE FOOLED! Homeowner policies are not all alike. Some would tell you otherwise but the fact of the matter is that trying to save a few dollars in cost may result in a claim that is NOT COVERED! If you're tempted to shop, check with us before you go elsewhere. If you've found a better deal, we'll tell you. Recently, we've heard some outrageous stories about some insurance folks who either don't know their product or perhaps are simply desperate to make a sale at the consumer's expense.

Identity Recovery Coverage: We now offer coverage for "Identity Recovery". This may be added to your Erie Homeprotector Policy for only \$20! The limit of \$25,000 is intended to help restore your good credit. By the way, we did have a claim reported during 2007.

Other Things You Should Consider

You may increase or add a floater for the items listed below. While your policy already provides some coverage; you may wish to increase the amounts.

- | | |
|---------------|---------------------------------|
| 1. Jewelry | 6. Musical Instruments |
| 2. Furs | 7. Coin Collections |
| 3. Silverware | 8. Stamp Collections |
| 4. Guns | 9. Collectors items |
| 5. Fine Arts | (Hummels, Dickens houses, etc.) |

If you have items scheduled you should **review the value at least annually.** They do not increase automatically.

Miscellaneous & Other Coverages Available

1. Earthquakes do happen here and coverage is available. Of considerable significance is the fact that we are prohibited from providing this coverage for seven days after an occurrence, an indicator of how seriously our industry considers this exposure. So, if you're concerned, don't wait. Call and add the coverage now.
2. Dwelling replacement guarantee. We'll rebuild your home regardless of cost!
3. Replacement cost on personal property. Guarantees no depreciation. Old is replaced with new!
4. Sewer & drain. Don't depend on WSSC. Also, this is required for damage due to a sump pump failure.





Our Location in Beautiful Downtown Laytonville...

As part of the Town of Laytonville which was incorporated in 1892, our location has a bit of history. In the early part of the century our building was the site of the Burriss Funeral Home. Mr. Philip Burriss operated an undertaking business and wheelwright shop. Later Mr. Calvin Mullinix operated a garage & snack shop, the forerunner of a "mini mart" I suppose. We do find some interesting things from time to time. A few rusty horse shoes as well as a piece or two from a buggy or wagon. Nothing so far from the funeral business. Perhaps that's best.

And now a few words about us...

For yet another year our solid core remains. Tom, Patti, John, Ellen, Ginger, Marcello, Tracie & Mindi continue to work toward providing you with service excellence. Granddaughters Katelyn, now age 8 & Aly, 3 visit the office with regularity. Cultivation of the third generation continues. Katelyn spent a portion of her summer swimming for the Plantations Piranhas, placing first & second several times & thoroughly enjoying just being a part of this great team. Though not a team member yet, sister Aly's mastery of the dog paddle is without peer!

For the most part the insurance industry remains solvent which is certainly the case with the Erie. A time tested, prudent philosophy continues to serve well during these troubling times. Founder H. O. Hirt was a very wise man who set the company on the course that has survived the Great Depression along with all manner of calamities since. We will likewise survive the one at hand. Erie's A. M. Best rating of A+ is shared by only 9.8% of approximately 2000 property & casualty insurers. The company is also listed in the Ward's 50 top performing insurance companies. The Ward Group is a consulting company specializing in the insurance industry. Combined with financial strength, cost, coverage, quality of service & products the Erie remains a truly exceptional value.

And so once again we are pleased to take this opportunity to sincerely thank you for your loyal patronage and extend our warmest wishes for a Joyous Holiday Season and a healthy, safe & prosperous 2009!

Best regards,
Frye Insurance Associates, Inc.

Hot Off the Press...

Well, it's finally happened. A major, national company has just announced that they will now charge \$25 to speak with a real person! We're not making this up. Call us anytime, free of charge.



Not only do we speak Spanish, but we speak it very well courtesy of our own Marcello whose family ties extend to Argentina. We're not the product of some on line course!

Wisdom...

"Life's tough, but it's tougher if you're stupid" John Wayne



Still... Proud!

- No** voice mail . . .
- No** "Music to hold by" . . .
- No** multiple phone options . . .

REAL PEOPLE...REAL SOLUTIONS

