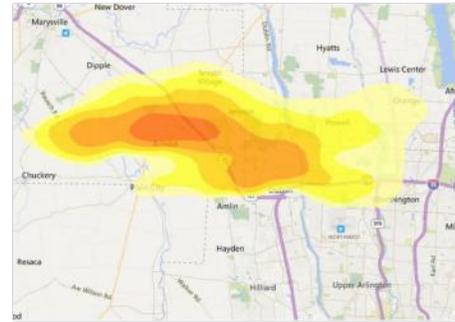




Ralph Guarasci



### One Hailstorm and a Neighborhood of Stories

On Sunday Sept 1, 2019 I was seated in 5:30 mass at St Joan of Arc Church in Powell. As the priest started his sermon I heard the sound of hail hitting the church roof. The priest paused and said “many of you will leave mass and find dented cars in the parking lot”. I was in the perfect place to pray the hail stones were small.

The above map shows the extent of the hail. The darker the shade—Jerome Township, Union County—the heavier the hail. In Powell the hail was light. My car had no dents. I made the short trip home and looked at our mailbox and other soft metal. No dents—prayers answered.

My house is pictured above. It still had the original roof from 1995 and I planned to replace it in 2020. This spring a rep from a roofing company rang our doorbell. My wife was home. After 40 years of marriage to an insurance agent she knew not to let him on the roof. “We’ve already signed a contract for a new one” she told him. “Oh he said, does that mean you’ve already been approved?” The assumption being that an insurance company was paying.

Our new roof was put on in May. It was a large out-of-pocket expense but a needed improvement. I inspected the shingles and soft metal vents as they were tossed off the roof. After 25 years the vents and shingles were still in good condition. Per my roofing contractor, a little brittle but no sign of hail or wind damage.

A number of our neighbors had new roofs paid by their insurance company. The insurance companies were reputable and household names in the industry. In all cases the claim was initiated by a roofing rep knocking on the door. The proposal was simple: “If I can get your insurance company to cover it, will you agree to use my company for the work?”

Was I foolish for pay for my own roof replacement? Or were the insurance companies the ones being foolish? That question arises every time a storm hits our area. “Its easier to pay the claim” an adjuster once told me. “Otherwise, we’re in for a fight”. I guess so but it wasn’t right for my roof.

## Managing Risk Around the House



### Tree Roots Take Over Drain Line

Pictured above is a project at my home to repair a clogged drain line. When it rained hard several drain lines would “gurgle” and overflow. I contacted a drain company to investigate. Using a camera they confirmed a clog in the drain line. They installed a “bypass” so the rain water would drain onto the patio (left photo). There were two other downspouts that fed into the clogged line.

The camera crew left two flags in the back yard. The flags were about 40 feet apart. When the repair crew arrived I showed them the two flags. I explained the project was to dig up the clogged line between the two flags. Then install a new one. “That’s all” said the crew foreman. “You really could have repaired that yourself”. “Here’s an idea” I said. “Since you’re here and have all the equipment and manpower, how about if you do it?” It took 3 men 4 hours to make the repairs. Plus the work required a Ditch Witch (center photo) and an assortment of hand tools. The old line was 99% clogged by tree roots (right photo).

I could have filed an insurance claim for the repair cost. Coverage for underground service lines is rather new. However, since the cost of the repairs was just a little above the deductible, I decided to cover the cost myself.

### Broken Sump Pump Leads to Wet Basement



After a very rainy night, our daughter and son-in-law woke up to a wet basement. The sump pit was full of water and the pump was not working. Pictured at left is her husband leaning into the sump pit. He got the pump to work by jiggling the float. A plumber replaced the pump later that day. The insurance claim for clean up was \$3,148. My daughter wondered if a sump pump should be checked. She asked how often I checked ours. “Twice a day” I told her “once in the morning and then again before bed”. I have a battery backup system with red and green lights.

### Mystery Beeping Solved by Fire Department



Pictured is my mother-in-law with members of the fire department. A persistent beep in her house led me to check all of her smoke detectors. All seemed ok so I changed every battery. It still beeped. “Lets dial 911” she suggested. I was reluctant since we didn’t have an emergency. “I’ll do it myself” she said. Clearly she was tired of the beeping. Soon a firetruck arrived. After a puzzling search one of the fire fighters found a carbon monoxide detector in a cabinet. It was beeping due to a low battery.

## From the Claim Department

- \$320,092 Fire in commercial building. Occupant was a new family-style restaurant. Fire Marshall thought it may have started with a lightning strike. The insurance company ordered a "Cause and Origin" analysis to determine the source. Lightning ruled out but the report was inconclusive.
- (Editors note: Restaurants can be difficult to insure. There are many hazards around cooking. Plus restaurants can struggle financially making for an elevated risk of arson).
- 0- Insured business was deemed "non essential" and forced to close due to the pandemic. Owners filed a "business interruption" claim for lost sales during the shutdown. Since the building housing the business didn't experience "direct physical damage" the claim was denied.
- (Editors note: Claim denials of this type happened all over the country. Courts are reviewing suits against insurance companies by businesses seeking interruption coverage. So far, almost all courts have agreed that business interruption coverage is not triggered by a pandemic or shutdown.
- \$381,406 Residential condo association claim for hail damage to roofs on multiple buildings.
- (Editors note: Insuring residential buildings - apartments or condos - has become very difficult. Unless the roofs are new, most insurance companies are reluctant to write the policy. The concern is that a large roof replacement claim is just around the corner. Rates have increased significantly)
- \$24,107 Traffic Accident. Our insured was hit by a driver that ran a red light. He filed a damage claim under his own auto policy thru our office. He thought it made more sense than trying to negotiate with the insurance company for the other driver. A recovery claim was brought against the driver of the other vehicle. His insurance company reimbursed \$22,382 making the net claim cost \$1,725.
- (Editors note: A yellow light used to mean "slow to a stop". Now it seems to mean "don't worry, there's still time". I don't need to tell you that motorists are slipping thru lights well past the yellow)
- \$175,000 Employee Theft. Over a 10 year period, a person working in the accounting department was stealing. This claim occurred years ago and the guilty person is reimbursing the insurance company every month. Total restitution to date \$38,417.
- \$10,270 Damage claim arising out of construction operations. Contractor was called to a house to repair a water problem. The next day the "fix" didn't hold causing water to run into the lower level. Claim made under the commercial general liability insurance for the contractor.
- (Editors note: Years ago my wife and I had a similar situation at our home. A plumber installed a new water line under a vanity. Later that night it malfunctioned causing the area to flood. The damage was moderate and the contractor handled it)

## Cyber Trouble

This is a voice message I got a few weeks ago. “Ralphie, I’m screwed. They got my whole system, backups too. Call me”. I knew what happened. I’ve had the same type of situation with other businesses. Cyber criminals hacked into his system and took control of his data. I knew what he would ask me when I returned the call. He would want to know if his insurance covered the ransom payment. It didn’t.

“Ralphie, they want \$25,000. I have to pay it. Otherwise, I’m out of business. What does my insurance cover?” I explained that his policy would assist with certain expenses but not the ransom payment. “If I don’t pay it today, it will double tomorrow” he said. I told him that other customers paid the ransom but still spent months recreating data. I cautioned him about doing business with criminals. I urged him not to pay the ransom and to press his IT people for another solution. In the meantime I filed a claim with his insurance company.

The next day I followed up with my customer. “I got lucky” he said. “We found an old server that had most of our customer data. The files will need to be updated but we will survive this.” He and I breathed a sigh of relief.

He has since made a number of changes to his backup system—multiple types of backup stored in multiple locations. I showed him a cyber product that included coverage for the ransom payment. He’s considering it.



There are four members of the Guarasci family in this photo. Can you find them? Many thanks to the eight others that were drafted into our Italian (work) family.

## Youth Movement Within the Agency

I was 27 when I started with the agency. The owners were in their 50s and the staff was in their 30s and 40s. For most of my career I’ve worked with people that were older than me. At 64, that’s changed now.

Over the past 8 years we’ve had seven key retirements. You may recognize some of the names—Joyce Pack, Lynn Wear, Donna Johnson, Mary Ellen Mathews, Kathy O’Keeffe, Donna Osborne, and Gina Smith. Each of these ladies had a long and successful career. They also raised families.

At my high school, Bishop Watterson, the principal was Father Ken Grimes. He was a man that everyone admired. One day he was talking about the ladies that took care of the church. They also cooked for him and managed the rectory. “Ralph”, he said, “all men should be thankful for the role that women play in their lives”. Amen.

## From the Mailroom

Dear Ralph,

I understand you’re still sending newsletters to the White House. Barak would read them first, then he passed them along to me. Two per year during the Trump Administration would make eight total. Could I get a copy of each one? Going direct to you might be easier than the normal transition channels.

President-Elect Joseph Biden

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# Insurance Agency of Ohio

7100 N High St, Suite 300, Worthington OH 43085

(ph) 614-848-3000 or [ralph@iaofohio.com](mailto:ralph@iaofohio.com)