

Arbitration rulings more often favor businesses

When you sign up for cell phone service, open a bank account, apply for a job or try to get a credit card, you may be signing away your legal rights if a dispute arises later. In the fine print of these sorts of contracts, there is often a provision that requires you to take your claim to arbitration.

Arbitration has the effect of a court ruling, but a paid arbitrator — not a judge or jury — decides your case. You are often limited in your right to get information you need to prove your claim, and you do not have the right to appeal your case to a court of law.

Concluding a claim using arbitration can be faster and less expensive than filing a lawsuit. But in most cases the arbitrator rules in favor of the corporation being sued and against the individual who brings the complaint.

A review of consumer arbitration claims handled over a five-year period by two of the nation's largest arbitration firms found that only 6 percent of claims filed ended in a ruling in favor of the consumer. In 94 percent of the cases, the arbitrator ruled in favor of the employer or financial services corporation.

Arbitration can be an appropriate way to settle contractual disputes between two evenly matched



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corporations. But for the individual consumer, workers and small businesses taking on giant corporations accused of wrongdoing, the outcome is rarely in their favor.

Some members of Congress want to change the law so that corporations cannot force you to agree to arbitration in order to buy a cell phone, get a credit card, accept a job or put your parent in a nursing home. The U.S. House of Representatives passed a

bill in the fall of 2019, H.R. 1423, that would restore rights to millions of Americans forced to settle their legal disputes in a private arbitration system that rarely runs in their favor.

If it becomes law, H.R. 1423 will prohibit contract provisions that force individuals, workers and small businesses to arbitrate their legal claims in employment, consumer, antitrust or civil rights disputes.

Protect your home with the right insurance

For many Americans, their home is their most valuable asset. Home insurance is an important part of protecting this major investment.

If your home is mortgaged, the mortgage company will require home insurance. But it may only require you to insure your home for 80 percent of its replacement value. In the event of a total loss, you could be underinsured and without enough funds to rebuild.

Consumer Reports recommends that you insure for the full replacement cost of your home. The added protection may not cost much more than what you are currently paying. Ask your insurance agent about it.

Keeping up with regular maintenance on your home is important because home insurance doesn't cover normal wear and tear or loss from poor maintenance, such as damage from a leaky roof.

Your home insurance covers your liability for damages and legal costs if you're sued for someone else's injuries. Most liability coverage for



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home insurance starts at \$100,000. If your assets are worth more than \$100,000, consider increasing your coverage limits.

Consider flood insurance, even if you do not live in a flood-prone area. Home policies cover flooding caused by a broken water pipe or other system within your home. Flood insurance covers damages from flooding that originates outside your home.

The federal government's national flood insurance program pays up to \$250,000 for damage to your house and up to \$100,000 for the contents.

Premiums in low- to moderate-risk areas can be as low as \$325 a year.

For more information on flood insurance and to get an estimated cost of coverage for your home, go to floodsmart.gov.

Filing a single claim will not likely affect your insurance rate, but making a number of claims within a short period can trigger a rate increase or cause your insurer to drop you. If a claim for damage repair is just a few hundred dollars above your deductible, the amount you recover from the insurer might not be worth the risk of a rate increase. When in doubt, contact your insurance agent for the pros and cons of filing a claim.

To get the best coverage for your situation at the best price, do some comparison shopping. Some state insurance departments publish rate comparisons on their websites for companies that sell policies in that state. Websites, such as insure.com and netquote.com, offer information on home policies and provide online quotes from major insurance companies, but not all top-rated insurers offer quotes through these sites.

Be aware of the dangers of vaping

Vaping is a term used to describe "smoking" with an e-cigarette. E-cigarettes are battery-operated devices that heat a liquid, usually containing nicotine, until it becomes an inhalable vapor.

They are also called "e-cigs," "e-hookahs," "mods," and "vape pens."

E-cigarettes are promoted as a safer choice than regular cigarettes because they don't contain carcinogens or tars found in most tobacco products. They also don't expose others to secondhand smoke. Some adult smokers switch to e-cigarettes as a way to taper off regular cigarettes and give up nicotine altogether.

Some manufacturers flavor their nicotine liquids to make them less irritating and more appealing. Unfortunately, these fruity flavors make them more attractive to middle schoolers and teenagers.

A recent report from the U.S. surgeon general warns of the special risks to young people from vaping. Nicotine exposure during adolescence can harm the developing brain and can impact learning, memory and attention.

In addition e-cigarettes can contain lead, dangerous compounds and cancer-causing chemicals.



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The Centers for Disease Control and Prevention reports increased incidents of pulmonary illness and respiratory distress linked to vaping. Vaping can cause severe, possibly irreversible damage to the lungs and even death.

The surgeon general's tip sheet for parents, "Talk With Your Teen About E-cigarettes," contains additional suggestions. Find it at e-cigarettes.surgeongeneral.gov/.



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What you should know before renting a car

If renting a car is part of your vacation or business travel plans, doing research ahead of time can save you money and headaches. Start by comparing prices online to see what is available in your price range.

The vehicle's size, your driving record, where you pick up and return the vehicle, and the insurance coverage options you choose can affect the rental price.

"Compact," "mid-size" and "luxury" can mean different things at various car rental companies. Look at the car models or passenger seating capacity of the vehicles in each category to get a better idea of the size.

You may be disqualified from renting a car if you have a recent traffic violation, such as reckless driving, seat belt violations, wrecks, leaving the scene of an accident, driving under the influence convictions, or driving with an invalid, suspended or revoked license. To know if your driving record might disqualify you, ask the company if it checks driving records.

The rental company may offer to sell you insurance to cover you while driving its car. If you have auto insurance on your personal car, check

with your insurer to see if that policy covers your rental. When traveling for business, your employer's insurance may cover the rental car. Also, some credit card companies provide coverage when you use their card to pay for the car rental.

A collision damage waiver is an agreement with the rental company in which you pay a fee up front and, in return, the company agrees to not hold you responsible for any damage to the rental car when you return it. Before you purchase insurance coverage or a collision damage waiver, be sure you understand the details and any exceptions that might apply.

Other factors that will affect the price of the car rental include:

- ◉ **State and local taxes on the rental price.**
- ◉ **Fees for early or late returns.** Contact the rental company before you return the car early or if you are running late to find out your options to avoid additional fees.
- ◉ **Airport surcharges.** Picking up the car at an airport, rather than at a rental center elsewhere, may cost more.

- ◉ **Fuel charges.** Return the car with a full tank of gas to avoid paying the rental company to fill the tank, usually at prices higher than a local gas station.
- ◉ **Out-of-state charges.** If you plan to drive the car to another state, check to see if the rental contract permits that and if there is an added charge.
- ◉ **Equipment rental.** Navigation systems, car seats and ski racks cost extra.
- ◉ **Additional drivers.** There may be a charge to add an additional driver.
- ◉ **Drop-off fees.** Ask about the fees to drop off the car at a location other than where you picked it up. These can be steep.
- ◉ **Tolls.** The rental company may offer a way to automatically pay any tolls along the route you are traveling. This is a convenience, but the cost varies among different rental companies.

To avoid unpleasant surprises on your bill, know all the fees and conditions that are part of the total rental contract.

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Protect your data from online hackers

Almost everyone uses some form of digital technology, such as cell phones, computers and the Internet. While these devices make it easier to shop, work and keep up with friends and family, they put your personal information at risk of being stolen by hackers.

The Federal Trade Commission offers these tips to keep your personal data safe:

- Set your cell phone screen to lock automatically when you aren't using it. Create a password to unlock it, preferably one that is at least six digits long. Use an app that helps you find your phone if it is lost or stolen. If your phone is stolen, the app will allow you to remotely lock the phone or erase your data.
- Keep your cell phone and computer software updated. Updates often contain security patches to thwart hackers.
- Use strong passwords for all your online accounts. Where available, use multi-factor or two-step authentication, which sends you a special code by text or email to enter to access your account.
- Be careful with wireless networks. Secure any home wireless network and router to prevent unauthorized users.
- Learn safe practices for using public wireless computer networks. If a public Wi-Fi doesn't require a password, it probably isn't secure.
- Be alert to scammers using email or text messages to trick you into giving out your passwords, account numbers or other personal information.

To see more Federal Trade Commission tips on how to keep your online information secure, visit consumer.ftc.gov/topics/online-security.



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