

Weekly Market Update, Nov. 3, 2010

Equity markets traded sideways in a fairly quiet week last week. Earnings reports continue to come in better than expected. Third-quarter earnings growth has risen 6 percent in four weeks, to about 30 percent year-over-year. [Click to read more](#) in our Weekly Market Update.

Weekly Market Commentary, Oct. 26, 2010

Equity markets posted modest gains last week, as the pace of earnings reports kicked into high gear.

With increased volatility and counterintuitive moves in stocks that reported strong earnings, it looks to us like some hedge funds are bidding up prices and then flushing their shares in an effort to make money, as opposed to expressing real concerns about future earnings. [Read more now](#).

Weekly Market Update, Oct. 20, 2010

The 2-year Treasury started last week at its all-time low of 0.347 percent before moving up later in the week to 0.379 percent. The 10-year was close to its recent low at 2.39 percent early in the week before the week-long selloff took it to 2.493 percent late Thursday.

The Federal Open Market Committee (FOMC) meeting notes were released last week, indicating that the pace of the economic expansion has slowed recently and that inflation remains low.

[Read about this and more.](#) (PDF, new window)

Why Your Insurance Guy Needs to Read the Fine Print, Too

By Gene McKeever, CIC

The fine print. The phrases and clauses in contracts which can get you into trouble, especially if you don't understand them all. Read them carefully, and ask someone else to read them for you, too, namely your insurance agent. Why? Read on.

"Hold harmless." The wording is usually fairly standard and it reads to this effect: "you promise to hold and save harmless ABC Corp from any and all claims, suits or demands brought by anybody." What is this? It means no matter what the claim (it may be a claim for lost rent or a disputed billing). Do you

really want to honor that? Of course not. Will your insurance company defend you for “any and all” claims? Of course not. I usually add a few words and take away others. It comes out this way: “you promise to hold and save harmless ABC Corp. from any and all claims covered by insurance brought in connection with your work under this contract.” I also ask my client to demand the same wording for himself, ensuring the contract is reciprocal to both parties. This is a fairly simple change and it is usually greeted well by the other party. If not, I usually ask that the other party’s lawyer call me, and we hash it out.

“Waive subrogation.” I’m not a fan of this and most of the insurance companies I deal with will not honor this request or they will ask for more insurance premium if a subrogation waiver is in place. A waiver of subrogation basically prevents your insurance company from collecting against the other party if they were the negligent party in an accident. This is another clause where I’ll ask the other party to make it reciprocal so both parties are treated the same. Subrogation means, in a legal sense, one party has the right to “step into the shoes” of another party for the purposes of bringing a claim for damages. Not all types of claims may be subrogated. The most common type that can be subrogated is property damage claim

“Additional insured.” This one really grinds my gears. This clause essentially cuts my client’s limit of liability in half if each party were named in a suit because my client is sharing his limits with the other party. I don’t see the logic of the other party because by being an additional insured on my client’s policy they preclude themselves from ever making a claim on my client’s policy. One insured can’t collect from another on the same incident and policy. Because the insurance limit is also effectively split, the additional insured request usually makes my client’s minimum liability limit less than what was demanded by the other party in the first place.

I have argued this clause with many legal departments over the years and have mostly prevailed in favor of my client using the splitting of minimum limits argument. The only other way that I will find acceptance of this clause is if both parties agree to make the additional insured demand reciprocal but even then I'm not totally comfortable with it. Insurance companies don't like this contract clause either because it means they are barred from any subrogation claims that may appear.

Finally, please remember it's important to share your contract language with your insurer (through your agent) because contract clauses affect your insurance coverage. Put the onus on your agent and insurance company to keep your policy in line with your actions.

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Weekly Market Update, Sept. 20, 2010

Risk on corporate debt around the world fell early last week as China's industrial output raised hopes that the global economic recover could be better than anticipated. [Read more now.](#)

Weekly Market Update, Sept. 13, 2010

Better than expected economic news, plus technical trading factors, helped equity markets move higher last week. [Read more](#) (PDF, new window).

Weekly Market Commentary: Aug. 16, 2010

“Slower pace” and “somber commentary” are two phrases from this week’s Market Commentary.

[Click to read more.](#) (PDF, new window)

Weekly Market Commentary – Aug. 3, 2010

Has the market hit a rough patch? [View this week’s Market Commentary.](#) (PDF, new window)

Weekly Market Commentary – 7/31/2010

In his appearance before Congress's Finance Committee, Federal Reserve Chairman Ben Bernanke chose his words carefully. He mentioned that "the economic outlook remains unusually uncertain." These remarks had a market impact. [Read more from this Market Commentary](#) for the week of July 26, 2010 (PDF, new window).

Weekly Market Commentary – 7/24/2010

Earnings helped push stocks higher early last week, but equities later lost ground as they struggled against technical trends and economic reports, culminating in a huge drop on Friday, July 16. In 90 years, there has only been one period (in the early 1990s) when the economy double-dipped into a recession. [Read more from this market commentary for the week of July 19, 2010.](#) (PDF, new window)