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the newsletter

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Max Meyers

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Before you sign ANY insurance forms, order our Free Books.

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## Happy Valentine's Day

Every year, February 14th has millions across the world presenting their loved ones with candy, flowers, chocolates and other lovely gifts. In many countries, restaurants and eateries are filled with couples eager to celebrate their relationship and the joy of their togetherness through delicious cuisines.

The holiday is named after two among the numerous Early Christian martyrs named Valentine. The day became associated with romantic love in the circle of Geoffrey Chaucer in the High Middle Ages, when the tradition of courtly love flourished. Since the 19th century, handwritten love notes have largely given way to mass-produced greeting cards. The sending of Valentines was popular in nineteenth-century Great Britain, and, in 1847, Esther Howland developed a

successful hand-made Valentine cards based business out of her Massachusetts home. Many Valentine cards are now general greeting cards rather than declarations of love, which has led to commercialization of the holiday in the United States.

The U.S. Greeting Card Association estimates that approximately one billion valentines are sent each year worldwide, making the day the second largest card-sending holiday of the year, behind Christmas. The association estimates that, in the US, men spend on average twice as much money as women.

*We wish you and that special person in your life a Happy Valentine's Day!*



## Insurance Companies Trick Injury Victims So They Can Get Richer

A new report from the American Association of Justice (AAJ), "Tricks of the Trade: How Insurance Companies Deny, Delay, Confuse and Refuse." details how insurance companies use policies and practices that put profits over people. You may have been a loyal customer of your car or health insurance company for many years, but the minute you file a claim how will you be treated? Here are common tactics you can expect to confront when you are an injury victim seeking payment from an insurance company.

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1. **Deny Claims:** This is the most common tactic and one that is regularly used by all insurance companies, including Allstate, Farmers and State Farm. Denying claims allows insurance companies to up their bottom line by holding on to their money as long as possible. Some insurance companies have gone as far as putting incentives in place for employees who successfully deny valid claims.

2. **Delay Until Death:** Many insurance companies deny a valid claim hoping the injured victim will die before it has to pay, or become frustrated and give up or settle for less. Injury victims need to be patient, confident and strong willed to fight such tactics.

3. **Confuse Customers:** Ever looked at your insurance policy contract and come away utterly confused? You're not alone. Attorneys find them confusing at times. Insurance companies use dense, and complicated language to confuse and discourage their customers.

4. **Discriminating by Credit Score:** More and more insurance companies use your credit score to determine the amount you pay each

month. Lower credit score = higher monthly premium.

5. **Abandoning the Sick:** Health insurance companies cut costs by canceling policies of people with illnesses that have become too expensive to treat. This targets patients when they are most vulnerable and at need. Companies have gone as far as to target cancer patients for cancellation. Some companies even offer employee bonuses for meeting "cancellation goals."

6. **Canceling for Asking a Question:** Many people call their insurance company and ask if making a small claim will raise their insurance rates without actually making the claim. However, just the asking the question is enough to raise your rates later. The insurance companies don't care whether you made a claim, but that there was a potential claim. At renewal time you can find a rate increase or even cancellation.

Be sure to protect yourself by doing your insurance policy homework and download a copy of our **FREE guide, *The Guide To Buying Car Insurance In Washington***, which you can find on our website [www.ScottMcDonaldLaw.com](http://www.ScottMcDonaldLaw.com).

## Happy Birthday Max, the BIG 40

It's official, our attorney Max Meyers is over the hill. He turns the big 40 on February 15th. Max's wife Shelly has big plans in place to mark this milestone. We have been sworn to secrecy, but what we can tell you is that there's a weekend trip planned to Washington's Methow Valley. A couple nights at Sun Mountain Lodge late in late February will be part of Max's 40th celebration. We also hear Max's mom, Margot, is flying up from Phoenix for his special day. From the sound of it a great birthday celebration is in the works.

Happy Birthday Max!



## Are Injury Settlements or Verdicts Taxable?

The short answer in Washington is generally no taxes are owed on money received in settlement or trial verdict of a personal injury claim. Repayment for a loss is not considered income for tax purposes. You may be asking what does that mean exactly? According to current IRS law, if an injured person obtains a settlement or verdict from an at fault third party (for example, from the at fault driver who hit you), that settlement money is not taxable.

Of course there are always exceptions, nothing in the law seems to be black and white. The IRS generally taxes punitive damages. What are punitive damages? Punitive damages are money that a defendant is ordered to pay over and above the full value of a case. They serve as an additional punishment given to a defendant in cases of outrageous conduct - the message of punitive damages is that you better not do this again because it was really bad and everyone else should take note or it could happen to them too. However, in Washington state punitive damages are not usually available for injury claims.

# Top 10 Tax Tips for 2009

Are you ready for tax season? Gather your receipts, sharpen your pencil and check out these 10 tips before you file.

- 1. The Benefits of Homeownership:** Have you cashed in on all of the tax perks that owning a home offers? Your house is a giant tax deduction. Remember to deduct your property taxes, your mortgage interest, points you paid when purchasing the house, and home improvements required for medical care.
- 2. First-Time Homebuyers Tax Credit:** The First-Time Homebuyers Tax Credit applies to primary home purchases up until April 30, 2010. The maximum credit for long-time residents is \$6,500. However, married individuals filing separately are limited to \$3,250.
- 3. Tuition and Fees Deduction:** Remember to utilize all possible deductions, including those for tuition and fees. The tuition and fees deduction covers up to \$4,000 that you pay for yourself, your spouse or a dependent, and you don't have to itemize to qualify for this deduction.
- 4. Educator Expense Deduction:** Are you a teacher? If so, make sure you take advantage of the educator expense deduction that allows you to deduct the cost of books, supplies, equipment, and software used in the classroom up to \$250.
- 5. Earned Income Tax Credit:** Did you work but not earn a whole lot in 2009? You might be able to cash in on the Earned Income Tax Credit (EITC). The EITC is a refundable tax credit, meaning it could lead to a tax refund even if you did not have federal income tax withheld.
- 6. Child and Dependent Care Credit:** Do you pay for child care? You can use these expenses to minimize your tax bill. Through the Child and Dependent Care credit the IRS allows you to recoup a percentage (up to 35 percent) of these costs (up to \$6,000 for two individuals).
- 7. Jury Pay Paid to Your Employer:** Did you fulfill your civic duty in 2009? If your employer continued to pay your salary but request your jury pay in return, the IRS demands that you report those fees as taxable income. But you have the right to deduct this amount so that you are not taxed on money that only passed through your hands.
- 8. Crackdown on Offshore Credit Cards:** Don't use offshore credit cards. It might sound great to put your cash in an offshore tax haven and access it through a bank credit card, but it is an illegal tax-evasion scheme that the IRS is cracking down on.
- 9. First-Job Moving Expenses Deduction:** While job-hunting expenses are not deductible, some moving expenses are. If you moved more than 50 miles for your new job, you can deduct the cost of getting yourself and your household goods to the new area, including 20 cents per mile (plus parking fees and tolls) for driving your own car.
- 10. Retirement Savings:** Retirement plans offer various tax benefits. It is important to remember their deadlines and limits, and take advantage of all of the perks they offer.

Filing your taxes is a time consuming task that can be complicated. Penalties for errors or failure to pay the right amount of taxes can be harsh. So it might be worth investing in some good software, like TurboTax or H&R Block's TaxCut, or find a reliable tax preparer to do your taxes for you.

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## New Book Authored by Scott McDonald and Max Meyers

Have you seen Scott and Max's new FREE book *7 Biggest Mistakes That Can Wreck Your Washington Motorcycle Case*? Washington State has some of the most beautiful roadways in the country. When the weather warms up many Washingtonians fire up their motorcycles and hit the road. Unfortunately, because motorcycling is mostly a summer time activity for most Washington riders, cars don't have the habit of looking out for motorcycles. As a result motorcycle v. car accidents are common in Washington.

Scott and Max wrote the *7 Biggest Mistakes That Can Wreck Your Washington Motorcycle Case* so that injured motorcycle riders can have great information about dealing with a motorcycle accident claim for free before speaking to any insurance adjusters or signing anything. The book discusses what a valid motorcycle injury claim look like, the common errors to avoid with doctors, and of course the 7 mistakes that can wreck a motorcycle case. Plus a ton of other useful information.

If you haven't received read the book, you can order your **FREE** copy at [www.WashingtonMotorcycleBook.com](http://www.WashingtonMotorcycleBook.com) or by calling **425-822-5700**.

