

Bullet-Proof Your Homeowner's Insurance Coverage



I'm not an insurance agent, but I've heard enough stories to know that when reviewing your homeowner's insurance coverage, don't assume that everything will be covered in case of a claim.

In fact, a National Association of Insurance Commissioners' survey revealed that homeowners misunderstood what their policy covered. *Here are some of the things NOT covered by standard homeowner's insurance policies:*

- 68 percent think vehicles such as cars, boats and motorcycles stolen from or damaged on their property are covered.
- 51 percent think damages from a break in the water line on their property supplying water to their home are covered.
- 37 percent think damages due to a break in the sewer line on their property that connects to their municipal sewer system are covered.
- 35 percent think damages from earthquakes are covered.
- 34 percent think damages from mold are covered.
- 31 percent think damages from termites or other infestation are covered.
- 22 percent think pets stolen from or injured on their property are covered.

Call your insurance agent if you've done any of the following:

- Acquired expensive possessions, such as furniture, computers, stereos and televisions.
- Made any major home improvements – usually anything more than \$5,000.
- A change in your state's laws where you could be held legally responsible for the actions of anyone who drinks in your home and then has an accident in your house or after leaving it. Your policy should protect you against lawsuits due to these types of liability issues.
- Added any backyard items, such as a trampoline or pool, which may require you to increase your liability coverage through an umbrella policy that protects you in the event that someone is injured while on your property.
- Purchased jewelry, acquired family heirlooms, antiques, art – consider purchasing an additional "floater" or "rider" to your policy to cover these special items. They're typically not covered by a basic homeowner's or renter's policy.

Make an inventory of all of your personal property, along with a photograph or video of each room. Also, save your receipts for major items and keep them in a safe place away from your house or apartment. That will make it easier if you need to file a claim.

Source: LoanOfficerMagazine.com by Karen Deis