



ABOUT HOME INSURANCE PREMIUMS

Premiums for a homeowners insurance policy are determined by various factors.

YOUR HOME

- » Age
- » Geographic location
- » Type of heating system
- » Proximity to the nearest fire station and fire hydrant

CLAIMS HISTORY

The fewer claims you have, the lower your insurance rate.

CREDIT RATING

Individuals with good financial habits are generally more responsible in other areas of their lives and therefore file fewer claims.

TO LOWER PREMIUM COSTS

- » Raise your deductible (as long as you have a large enough emergency fund to cover it should disaster strike).
- » Inspect your home regularly and make necessary repairs to keep claims to a minimum.
- » Do not smoke. You may pay less to insure a smoke-free home.
- » Install smoke detectors, fire extinguishers, deadbolt locks and a security system that is connected to a central monitoring device.
- » Maintain a good credit rating.

HOMEOWNERS INSURANCE

Homeowners insurance can help alleviate the financial burden of having your home or possessions destroyed or stolen. When you buy a homeowners policy, your insurer agrees to pay the cost of repairing or rebuilding your home and replacing your possessions in the event of a covered loss such as a burglary, fire or theft. The policy also pays damages if you are held legally liable for accidental injury to someone else.

HOMEOWNERS POLICY

TYPES OF COVERAGE

Basic Coverage

DWELLING

- » Covers damage to your home.
- » Check your policy to see what potential losses are not covered. You can buy certain endorsements to provide coverage not generally provided.
- » Does not cover flood damage, which requires a separate policy.
- » You should buy enough dwelling coverage to completely rebuild your home.
- » Your mortgage lender will require you to cover only the amount of your mortgage. It is up to you to ensure this covers the cost of rebuilding.

PERSONAL PROPERTY

- » Covers damage to your home's contents.
- » Coverage is limited on certain high-value items, such as jewelry or silverware. You may need to purchase a separate policy or endorsement to fully protect items such as these.

- » Coverage may also be limited on personal property kept in a vacation home, your vehicle or with a child away at school.

ACTUAL CASH VALUE (ACV) VS. REPLACEMENT COST

- » ACV coverage pays to replace your home or possessions minus depreciation at the time of loss. This could result in receiving substantially less than you need to replace your property.
- » Replacement cost coverage pays to replace the damaged item at today's prices. To claim replacement cost, you must actually replace or repair the item.

LIABILITY

- » Pays for damages, such as medical expenses, repairs and applicable legal fees if you, your family or your pets accidentally cause injury or damage to someone or their property.
- » There is no deductible — the amount of damages you agree to pay before your insurer starts paying.

Optional Coverage

INCREASED PERSONAL PROPERTY PROTECTION

- » Provides additional coverage above your policy limits for personal property such as jewelry, furs, silverware, etc.

BUSINESS AND HOME

- » Provides coverage for your business property that you may use in your home business. Also provides liability coverage for any customer who might be injured while on your property.