

Which Homeowners Policy Is Right For Me?

If you own a home; you'll want to think about the best way to insure it. One goal is to match your needs to the right company. Some companies like new, high-valued homes while some companies do well with older or historic preservation homes. Others are comfortable with country homes or old farm homes. It pays to shop around, both for the best coverage and for a company that likes your type of home.

There are two common levels of coverage that you may consider:

Named causes of loss coverage - The policy only covers certain causes of loss to your property. You must prove to the company that one of the covered causes damaged your property.

Risks of physical loss – This covers all causes of loss except those that are excluded. The company must prove that one of the excluded causes of loss damaged your building.

You may want to discuss other types of homeowners coverage if you own a different type of residence such as a modular home, mobile home, apartment, town home, condominium or you have personal living space in a commercial building.

A Basic Homeowners policy usually provides the following:

- Coverage for your building (ask about coinsurance and replacement cost issues).
- Coverage for your outbuildings - garages, sheds, barns, cabanas
- Coverage for personal property is usually 50-75% of your building limit
- Limitations - many policies have special limits on certain types of property, such as theft loss to Jewelry and gems (\$1,000), Furs (\$1,000), Gold, silverware, pewter ware (\$2,500), Guns (\$2,000), Building supplies - no coverage for theft. Further, very little coverage may be available of other types of property, regardless of the cause of loss, such as, money, stamps, fine arts, antiques, electronics, boating equipment, etc.
- Additional living expense - pays the extra cost of temporary housing, food and other increased costs of living when you are forced from your home by a covered cause of loss.
- Liability coverages - should you accidentally injure other people or damage their property
- Defense costs - includes hiring and paying for a lawyer (if necessary) and paying most court costs.
- Medical payments coverage is for minor injuries to people other than residents of the household. You don't have to be sued or be negligent.

If this short article has raised more questions about your coverage...good. Find an insurance professional to get the answers (and the coverages) you need.

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