

WHAT YOU SHOULD KNOW ABOUT HOMEOWNERS INSURANCE

What to Know About Homeowners' Insurance

When evaluating your Home Insurance coverage, *it's smart to be informed about the wide range of costs and the ins and outs of insuring your home.* Learning as much as you can about the following points will help you insure your homeowners' insurance will meet your needs.

Be aware that how much you know about each of the following areas will influence your choices regarding your homeowners' insurance policy.

1. **Home type.** Your homeowners' insurance policy should reflect the type of home you have. Homeowners' insurances vary, depending on whether you live in a mobile home, a condominium, or a house.
2. **Typical insurance coverage.** A basic homeowners' insurance policy will cover for damage to your home from weather events, except for earthquake and flood coverage, which must be attained on separate policies.
 - Also, damage from vandals and thieves will be covered. So, personal property inside your home is included in a basic policy.
 - Other "structures" that are built on your property, such as garages, tool sheds, or workshops are usually included in homeowners' insurance.
 - Another important inclusion in a typical policy is personal liability. This type of insurance coverage protects you in the event that someone gets hurt on your property.
3. **Home construction.** What is your home made of? Is it built sturdily to handle weather events?
 - Materials used in the construction of your home will partially determine the type of insurance you obtain as well as the cost.
 - The more superior the construction, the easier it will be for you to find a good policy.
4. **Quality home care.** If you go the extra mile to protect your home and belongings, you might attain a reduced premium.
 - For example, *if you live in a hurricane zone and install hurricane shutters on all your doors and windows, you might score a reduced rate on your basic insurance policy.*

5. **Deductible levels.** As with other types of insurance, you can save money on your homeowners' insurance policy if you're willing to have higher deductible amounts.
 - Be aware that your mortgage company might have specific requirements or set limits as to how high of a deductible you can have.
6. **Replacement cost coverage.** Before you go shopping for insurance, it's wise to know the value of the property you're insuring plus an approximate value of your personal items inside the dwelling that you'll be insuring. Knowing these values will help the agent decide on how much to insure your property for.
 - *To figure replacement costs, insurance companies will write a policy that covers 125% to 200% of the price of your property.*
7. **Cost of Insurance.** Many factors figure in to the cost of your homeowner's insurance policy. Some of those factors are the age of the dwelling, the size of your home, its location, and the construction materials.
 - Also, the level of your deductibles and your location relative to your fire protection services and a fire hydrant figure in to the final insurance costs.
8. **Insurance company's reputation.** As with any business you deal with, *know your insurance company's reputation.* Verify they are licensed to sell insurance in your state.
 - Check the company's ratings through Standard & Poor's, TheStreet.com, and your local Better Business Bureau.

Obtaining homeowners' insurance requires you to do your homework. Use this list to prepare yourself for doing some comparison shopping for your home's insurance. Once you familiarize yourself with all the facts related to your dwelling, you'll be prepared and ready to make your best deal on your homeowners' insurance policy.