



Live Assured

by understanding homeowner's insurance

Homeowner's Insurance: What You Get vs. What You May Need

Buying a new home can be one of the most exciting times in your life, but it can also be an anxious time. After all, your home is probably the biggest investment you will ever make, and the thought of losing it can be frightening if you don't understand your insurance coverage. So here's a breakdown of the coverage you get in a typical homeowner's policy, versus what you may need for extra peace of mind.

What you get: Structure Coverage against Named Perils

Most homeowner's policies provide coverage for the structure of your home against certain catastrophes, such as fire, hurricane, lightning, and other disasters specifically listed in your policy. **What you may need: additional endorsements for flood and earthquake.** Typically, homeowner's policies do not provide coverage for the structure of your home should it be damaged in a flood or earthquake. If these natural disasters are common in your area, you should ask your independent agent about adding extra coverage to your policy to protect your home

What you get: Coverage for Your Personal Belongings

Your homeowner's policy will provide basic coverage to protect the contents of your home. According to the Insurance Information Institute, "most companies provide coverage for 50% to 70% of the amount of insurance you have on the structure of your home."

What you may need: Inland Marine Endorsement. For those items of higher value, such as jewelry, furs, coins, collectables, etc., the coverage provided in your homeowner's policy might not be enough to replace or repair those items if they are stolen or destroyed. Create a home inventory list,



discuss its contents with your independent agent, and determine if you need an inland marine endorsement to protect your valuables.

What you get: Liability Coverage

Typically, your homeowner's policy will include coverage that protects you and your family against liability risks, such as a visitor falling and getting injured on your premises. **What you may need: An Umbrella Policy.** With the increase of lawsuits and the seemingly limitless settlements, having extra liability protection is *always* a good idea. An umbrella policy provides that extra coverage and can ensure that you're not at risk of losing your home or your financial footing due to one friendly visit gone awry.

Owning a home is both exciting and overwhelming. Understanding your coverage will help ease your concerns and provide you with confidence to live assured. For more help understanding your homeowner's policy, contact your local independent agent. And for more homeowner tips and information, log-on to www.preferredmutual.com.

This information has been prepared and is intended for educational purposes only and is not legal advice and/or an authoritative guide. The information and content provided here is not intended to be relied upon for making personal, safety, insurance, medical, legal or other decisions.

