



## Keep Your Homeowners Coverage Up To Date

When you sign up for a **homeowners** or **condominium owners insurance** policy, you take the first step in protecting what may be one of your largest assets. It is important to be knowledgeable about the appropriate amount of coverage needed and the extent of the coverage provided by your insurance contract.

The homeowners policy is a package that covers your dwelling, other structures on the premises, unscheduled personal property on and away from the premises, loss of use, personal liability coverage, and the medical coverage of others.

Nearly all insurance companies require that your policy be issued for at least 80% of the replacement cost of your home. Failure to maintain proper coverage may result in sharing in a partial loss as a penalty.

The correct amount of coverage is determined at the time the policy is written. Then it is *your* responsibility to be sure your policy continues to provide appropriate protection. Most insurers will increase your coverage by a certain percentage each year to keep pace with inflation. However, it is important for you to periodically review your homeowners coverage and make any necessary changes that result from inflation in your area and adjust for additions or improvements made to your home.

Your homeowners policy also provides protection for the contents of your home. It's a good idea to keep an inventory of personal property in a safe deposit box so

that, in the event of a loss, you won't have a problem listing the items to be replaced. The contents portion of your policy has specific limitations on items such as money, jewelry, furs, silverware, artwork, and securities. Be certain to refer to your policy for a full description of the limitations. In some instances, you can buy *additional* coverage if the basic coverage is insufficient.

When selecting coverage, evaluate the different policy forms. You can choose between a basic *broad* form policy that protects you against a list of named perils such as fire, hail, lightning, wind, explosion, and vandalism or an *all-risk* policy that protects you against all losses except those specifically excluded in the policy. The exceptions include: damage by birds or insects; wear and tear; landslide and earthquake; cracking from settling; flood and surface water; and damage by domestic animals or rodents.

You may wish to consider a higher policy deductible and elect to purchase the slightly more expensive all-risk contract with the premium saved.

In addition to protecting your property against serious loss to the physical structure, your homeowners policy may also provide protection for legal liability in varying amounts.

In view of sizable legal awards that can potentially be granted, you may wish to protect yourself even further with a personal umbrella policy.

As you assess your coverage requirements, keep a sharp lookout for ways to you're your premiums. By installing smoke detectors, fire extinguishers, deadbolt locks, or a central alarm system, you can reduce your costs by a reasonable amount. Evaluate your coverage limits periodically and make changes when appropriate. When it comes to your home, keeping up-

to-date on your insurance coverage may be more important than "keeping up with the Joneses".

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