



# Homeowners Policy Checklist

*Prepare Now for a Successful Review*



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## How to Shop for Homeowners Insurance

Your home is one of your largest investments, which is why it's so important to make sure that you get homeowners insurance from the right company and purchase the proper amount of homeowners insurance coverage to help protect you financially if you face the unexpected.

We've put together this homeowners insurance guide to help you make the right decision. We can help you prepare so you're in the know and confident that you're getting the right level of coverage for your home.

## Checklist For Buying Homeowners Insurance

### 1. **What information is needed for a homeowners insurance quote?**

Your policy is built specifically to your home, so it's important you know the features of your home to get the most accurate coverage. A good rule of thumb when shopping for homeowners insurance is to buy enough coverage to replace (replacement coverage) your home if it's destroyed. The below information is used to determine an appropriate amount of protection you'll need, as well as how much you'll pay for it.

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When shopping for homeowners insurance, having this information at your fingertips will help you save time when you meet with us — Below is the type of information we will use to design your policy:

- How many people live in your house full-time
- Is your home your primary, seasonal or secondary residence
- Year built
- Square footage
- Number of bathrooms
- Number of stories
- Detached structures like a shed & garage
- Wood stoves, fireplaces (a.k.a. solid fuel appliances)
- Materials used for the roof (e.g. asphalt shingles, metal, slate)
- How old is your roof
- Materials used for the exterior walls (e.g. brick, stone)

## 2. **What homeowners insurance coverage do I need?**

A standard homeowners policy has the following coverages available for purchase. When shopping for homeowners insurance and looking for a policy, it's important to understand exactly how you're protected:

### **Coverage A: Dwelling Pays to rebuild or repair your home.**

Dwelling, for damage to your house that occurs due to covered losses, such as a fire. Following a covered loss, dwelling coverage helps you repair or rebuild your home, including the structures, such as a garage or a deck, attached to it.

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**Coverage B: Other Structures** Pays for damage to detached structures on your property, such as detached garages, gazebos, sheds and fences.

Damage to other buildings or structures on your property that result from a covered loss, such as a tornado. This may include a detached garage, a barn or a fence

**Coverage C: Personal Property** Covers your personal belongings, including furniture, clothing and appliances, if they're stolen, damaged or destroyed.

Personal Property, for damage to or loss, including theft, of your personal belongings and possessions, such as jewelry, furniture, guns and other valuables. If you experience a covered loss, this coverage will help you replace items up to the defined dollar limit in your policy. In certain instances, your belongings may be worth more than the typical home insurance policy covers. In this case, you may be able to purchase additional coverage through a process known as “scheduling valuables.” To help expedite a personal property claim, it helps to keep an updated home inventory of your belongings.

**Coverage D: Loss of Use (Additional Living Expense)** Pays for additional living expenses if your home is uninhabitable due to a covered loss.

Additional Living Expenses, for costs incurred, up to your set policy limit, due to “loss of use” of your home, meaning your home has been damaged to the extent that you cannot live in it and you need to live elsewhere. This coverage helps you handle the costs of your temporary housing and related expenses.

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**Coverage E: Personal Liability** Protects you against financial loss if you're legally responsible for someone else's injury or property damage. Personal Liability, for damage to other people's property for which you are responsible. This coverage may also help you handle legal costs and liability judgments resulting from a lawsuit, up to the defined dollar amounts outlined in your policy.

**Coverage F: Medical Expense** Covers medical payments to others for injuries caused by you or damages that happen on your property, regardless of your legal responsibility.

Medical Payments to Others, for bodily injuries to other people, such as a house guest, that occur in your home or on your property. Like personal liability coverage, this coverage helps with the costs of a lawsuit or legal decision, up to your defined policy limits.

Remember that, despite having all of these different types of coverage, you're only covered up to the dollar amounts that you select and only for covered losses, as outlined in your policy. Typically, you can change these policy limits at any time if you'd like to purchase more coverage. This is a good idea if, for example, you've recently added on to your home, acquired some pricey personal belongings or made other updates to your property. It's always a good idea to review your policy every year.

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## **Additional Consideration for Buying Home Insurance**

It's important to know that there are limits on your standard policy and you're covered up to a certain amount. What if expenses go above your primary policy limits? You'd be responsible for paying the remaining costs out of pocket! That's why having personal umbrella liability insurance is such a good idea — it's an added layer of coverage over many types of your policies, including home and auto.

### **3. Create a home inventory list**

Homeowners insurance policies offer coverage for your personal property up to your coverage C limit. So before deciding how much personal property coverage you'll need, it's helpful to create a home inventory, which is a complete listing of items in your home. This way you'll have the right amount of personal property coverage.

As time goes on, we collect more things than we realize. When you have a home inventory checklist, you know exactly what needs to be replaced in the event of a loss and it helps you provide a more accurate estimate of what all of your possessions are worth.

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## 4. Estimate your homeowners insurance cost

The question is, how much does homeowners insurance cost? In short, it depends. Each individual home is unique, and there are a number of factors that influence the cost of your homeowners insurance. Here are a few things to look for when comparing homeowners premiums:

**What coverages do you have?** Your standard homeowners policy is equipped with property and liability coverage. But a great thing about homeowners insurance is that you can customize your policy with optional coverages to match your needs. The older we get the more things we collect. Additional coverage might mean a little higher premium, but the price you pay for protection is worth the cost considering what you might have to pay out of your own pocket if the unexpected happens.

**How much would it cost to rebuild your home?** The cost of your home insurance premium relates directly to the cost to rebuild your home and you'll want to buy enough coverage to rebuild if you face serious damages. A home which costs \$300,000 to rebuild will usually have a higher premium than a home that cost \$150,000 to rebuild because it's more valuable. This is why you always make sure your homeowners policy has replacement coverage. Homes generally increase in value over time.

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**How much are your possessions worth?** Whether we purchase expensive items for ourselves or receive valuable items as gifts over time, your personal property plays a role in the cost of your home insurance. You'll want enough coverage to replace everything if your home is damaged or destroyed. High-value items, like jewelry, art and collectibles, have limited coverage, so you have the option to increase those coverage limits and make sure you aren't underinsured.

**How new or old is your home?** A newer home will have more reliable building systems (electrical, heating, plumbing), and they're built to meet the standards of modern building codes. Also, building and construction methods have changed significantly over time. For example, a home built 100 years ago will likely be built with lath and plaster, which is more expensive than modern drywall to repair or replace.

**Your personal claims history.** A homeowner who has fewer claims will pay less for insurance than those who have more claims. It's about your level of risk, and statistics show that people who have had claims in the past are more likely to have claims in the future.

**Do you have pets?** Your home insurance policy provides some financial protection against liability claims and lawsuits brought by others for accidental bodily injury or damage to their property done by a pet. Your home insurance premium may be affected by the type and number of pets you have. One example is the type of dog you have. Some breeds are more aggressive than another's and carriers may exclude or not provide a homeowners insurance policy for your home.

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## 5. Review your insurance annually

Now that you've assembled the essential information needed for a home insurance quote, it's time to officially get covered! Set up time to meet with an insurance agent — they'll use their expertise to help you build a customized policy with coverages unique to your needs.

### Tips for Meeting With Your Insurance Agent

Ask about discounts. Looking for ways to save money on your homeowners insurance policy? You probably qualify for a number of homeowners discounts. Make sure to ask your agent about all the ways you're eligible to save!

**Know what kind of deductible you want.** Your coverage will require you to pay a deductible before your insurance company steps in to cover the cost of a loss. Weigh the pros and cons of a high or low deductible, as this will affect your premium.

**Ask questions.** You want to be confident that your coverage is protecting you and your home — don't be afraid to ask your agent questions. If you're not sure what something means or if you don't understand parts of your policy, your agent is the perfect person to ask.

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## Final Considerations to Look for When Shopping for Homeowners Insurance

Here are some questions you'll want answers to when looking to purchase home insurance:

**Do you have valuables such as expensive jewelry, furs, fine art, silverware, etc.?** If so, be sure to make note and ask your agent about extra coverage that may be needed.

**Do you want replacement cost coverage for your personal property?** If your stove or refrigerator, for example, are damaged as a result of a covered loss, replacement cost coverage will pay for new items with comparable features and functionality.

**Is your liability insurance enough to protect your assets?** Make sure to take a good look at the liability coverage limit on your policy. Since liability insurance helps cover you against lawsuits for bodily injury or property damage that you, a household family member or a pet cause, you may want a higher amount than what's on your policy today. You may want to consider an umbrella policy for an additional layer of protection.

**Do you need additional peril coverage?** Homeowner policies typically exclude damage from disasters like earthquakes and floods. If you live in areas that are commonly affected by these natural disasters, you may want to get a homeowners policy with added coverage to stay protected. As your dreams change and evolve, it's important you've got the protection you need. At HFC Insurance, we want you to be confident and in control of your homeowners coverage — that's why we recommend reaching out to us to learn about customizing your homeowners coverages to match your unique needs.

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