

Educate yourself about homeowner insurance coverage

By Suzanne Bryden, CPCU

You probably know that a homeowner's policy is necessary to protect a house against a major loss like a fire or a hurricane, but there are many other property coverages you may also need.

"Package" policies can automatically provide coverage for any other structures on your premises, such as sheds or fences or pools. There also is coverage on personal property.

The homeowner's policy also provides a limit for any extra expense you incur if you have a major loss and need to move out of your home until it has been rebuilt or repaired. (Condominium unit owners need to be especially careful that this limit is high enough, as the time to rebuild a multi-unit building would be more than for a single-family home). Another important protection included is personal liability coverage. This is vital in case someone is injured on your premises and you are sued.

The homeowner's policy does not cover damages due to a flood. There are many other coverage options; so be sure to discuss the policy limitations with your agent to assess what you might need.

Here on the coast, we have a problem due to the possibility of hurricanes. Many companies either will not write business here at all, or they have stopped accepting new business. The policies in force will have either a wind deductible (which kicks in for damage from any storm, any time); a named storm deductible (which applies if the damage is from a named tropical storm or hurricane); or the best option, a hurricane deductible. These deductibles can be very high, as they are usually a percentage of the limit on the house. Check your policy and be prepared for this should you have a claim of this type.

Remember when you are considering coverage options to protect against catastrophic loss, select your basic policy deductible accordingly. The higher the deductible, the lower the premium - so take the highest you can afford.

You can pare the homeowner's policy down to essentials by eliminating some of the optional coverages. It's better to cover your largest exposure (the house) than nothing at all.

When dealing with homeowner's insurance, you should look at the big picture and yet also think in terms of the "worst-case scenario" so you are not caught short if a disaster occurs. Your insurance agent can help you understand the best options for your particular situation.

Rogers & Gray Insurance Agency has offices across Cape Cod and Plymouth County. You can reach the company toll free at 888.790.3668 and visit www.rogersgray.com