

Homeowner/Renter Questions and Answers

Does my homeowner's insurance provide coverage for sewer or drain backup damage? The industry standard policy does not. This coverage needs to be purchased separately. Most companies offer endorsements for \$2,500 or \$5,000. Some offer more. Discuss your needs with your agent so coverage can be tailored to you.

I have a dog that bit someone else. How will this affect my chances of getting or keeping my homeowner's insurance? Insurance companies do not look favorably on renewing a homeowner's policy for an insured who owns a dog that has bitten someone. Injuries can be severe and potentially can result in death. Once a dog has bitten, there is a good chance it could happen again. Depending on the breed, you might not be eligible for standard homeowner's insurance with some carriers, even without a history of a dog that bites. Breeds such as Pit Bull, Doberman Pinscher and Rottweiler are some that are frequently listed as not eligible for coverage.

My homeowner's rates keep going up. How can I lower my premium? Increasing your property deductible will lower your premium. Deductibles up to \$2,500 are available. In addition, discounts are often given for having theft alarms, or a combination of deadbolt locks, smoke detectors and a fire extinguisher. Discounts are often available on older homes if you have replaced your roof, rewired, or replaced your furnace. Be sure to notify us when you do these updates.

I rent an apartment – do I need insurance? Yes, because you could be held liable for injuries in your apartment. You would also need the coverage on your personal property if there were a fire that destroyed your apartment or a theft of your property. In some cases the premium can be as low as \$100 a year, and many insurance companies let you make monthly payments.

I rent a storage unit in a mini-storage complex. Do I need separate coverage on my personal belongings that I have stored there? No, personal property is covered by your homeowner's policy anywhere in the world. However, there is a 10% limitation if the property is at another residence (this comes into play frequently for students away from home or those going south for the winter). Contact us about these situations so we can determine proper coverage.

My son/daughter is going to college full time and will be living in a dormitory. Is their property covered under our homeowners policy? Yes, but with limitations. Contact your agent to discuss the coverage provided by your specific policy.

Will filing one homeowner's claim cause my rates to increase or jeopardize my insurance? Generally the answer is no. However, rates could increase or coverage be non-renewed if there are multiple claims in the last three years or a pattern of losses over time. Had a loss? Let us know if you have taken extra steps to prevent similar future losses so we can notify your carrier.

We're going to be building a house. How do I insure it while it's under construction? Some builders provide insurance until the home is completed. However, if yours does not, we can assist you in obtaining proper coverage. Theft of building materials is excluded by the standard homeowner's policy, but some companies offer a special endorsement for this. You should discuss this with your agent in advance so proper coverage can be obtained.

Is my four-wheeler covered by my homeowner's insurance if the house burns down and the four-wheeler is parked in my garage? No, a separate policy covering recreational vehicles must be in place for the four-wheeler to be covered. This is also true of motorcycles, snowmobiles, or any other motorized recreational equipment. Contact us if you have specific questions about what is covered and what is not by your policy.

Is my boat covered by my homeowner's insurance if the house burns down and the boat is parked in my garage? Homeowner's policies typically provide up to \$1,000 of coverage for owned watercraft that is kept on your premises. A separate policy covering watercraft must be in place for the boat to be covered beyond the \$1,000 limit, or if it is kept away from your premises.

Is theft covered by my homeowner's policy? Yes, but there are limitations on certain types of property that vary by insurance company. Typically, the limitations apply to money, watercraft, jewelry, guns, furs, business property, trailers, electronics used in vehicles, motorized vehicles (except lawn tractors), and animals.

I have water seepage in my basement. Do I have coverage under my homeowner's policy? No, there is no coverage available for seepage, even if a water-backup endorsement is added to your policy.

During a heavy rainstorm, rain water came in through my picture window. Do I have coverage? Yes, generally there would be coverage for the water damage to the interior, but contents may not be covered, depending on the

situation. This is a tricky one to answer because of the number of ways water can enter a building; some instances are covered, some are not.

I am planning a trip to Mexico. Will my personal items be covered by my home or tenant's insurance? Yes. Your personal property coverage applies anywhere in the world if you are there temporarily. However, remember the policy limits coverage for cash and the theft of un-scheduled items such as jewelry.

I own a lot with no building on it. Do I need insurance? In most cases, liability coverage on vacant lots not held for resale or investment purposes, in most cases, is covered by your homeowner's policy. Farmland is different. Contact your agent to discuss your situation specifically.

If my jewelry is stolen, will my homeowner's policy cover that? Homeowner's policies have a limit on the amount of jewelry covered for theft. Typically the limit is \$1,000 on jewelry that is not scheduled (specifically insured). If you schedule your valuable jewelry, the company will pay a reasonable replacement cost for each of the items scheduled without a deductible for theft.

Is your hobby a business? Homeowner's policies defines "business" as "[a] trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or [b] any other activity engaged in for money or other compensation..." This is a fairly broad definition, encompassing many things that people may not think of as businesses. Taking care of the neighbor's children after school every day, selling homemade crafts, buying collectibles and re-selling them on eBay...all of these things are considered businesses by the homeowner's policy.

What's not covered? Homeowners' policies as well as condo and renters policies, generally exclude liability claims arising from a business owned or operated by the insured. In addition, these policies contain significant limitations on coverage for business property or other contents "used at any time, in any manner, for any 'business' purpose".

What can be done? The solution for small home-based business is either an endorsement to the homeowner's policy or a business owner's policy. If you operate a small business or hobby from your home that might fall in the business definition, please contact your agent. The best time to discuss this is before a loss occurs!!