

Homeowners Insurance: WHAT YOU NEED TO KNOW

Homeowners insurance protects your home from damage, theft, and liability. Lenders require it before closing, and many include the cost in your monthly mortgage payment through an escrow account.

What's Covered?

- **Standard Coverage** – Protects against common risks like fire, theft, and liability.
- **Not Covered** – Floods and earthquakes usually require separate policies.
- **Claim Limits** – Some items, like jewelry, may have lower payout limits unless separately insured.

Replacement Cost vs. Actual Cash Value

- **Replacement Cost** – Covers rebuilding up to your policy limit
- **Actual Cash Value** – Pays the depreciated value if you choose not to rebuild
- **Liability Coverage** – Covers injuries on your property, but has limits—consider extra coverage if you have significant assets.

ways to save

Understanding your insurance options helps protect your investment while keeping costs in check. Your Realtor® and insurance agent can guide you to the best coverage.

1. **Compare Quotes** – Rates vary between companies—shop around for the best deal.
2. **Check the Home's Insurance History** – A CLUE report shows past claims that could affect your rates or coverage eligibility.
3. **Secure Insurance Early** – Start looking as soon as your offer is accepted to avoid last-minute issues.
4. **Improve Your Credit Score** – Better credit = lower premiums.
5. **Bundle Home & Auto Insurance** – Many companies offer discounts for combining policies.
6. **Raise Your Deductible** – Higher deductibles lower monthly payments but require more out-of-pocket if you file a claim.
7. **Ask About Discounts** – Security systems, smoke detectors, or quality locks may reduce costs. As well as, some professional groups and alumni associations offer special rates.
8. **Review Your Policy Annually** – Adjust coverage as needed—some items decrease in value over time.
9. **Consider Government-Backed Plans** – In high-risk areas, state or federal programs may offer affordable coverage.
10. **Insure for Replacement Cost, Not Market Value** – Make sure your policy covers the cost to rebuild, not just your home's current market price.