

HINTS FOR HOMEOWNERS

How Much Coverage Do You Need?

by Charles E. Williamson

(NAPSA)—Home values are dipping throughout the U.S., but this trend has no bearing on what it would cost to rebuild a residence should a fire or natural disaster strike.

This rebuilding cost should be the basis of one's homeowners insurance policy, but an estimated 29 percent of policyholders report they don't know the type of replacement cost coverage they have, and more than 40 percent have not informed their providers about major home improvements that would affect coverage amounts, according to J.D. Power and Associates.

To make matters worse, the cost to rebuild one's home has skyrocketed in recent years due to spiraling prices of building materials, fuel and labor.

Millions of homeowners remain unaware of the risks posed by inadequate or inappropriate homeowners insurance. Additionally, those who have achieved financial success could actually outgrow the capabilities of their longtime insurers.

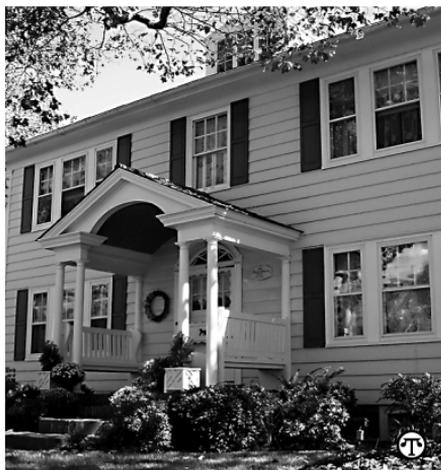
The solution? Consult an independent insurance broker who can review your individual circumstances and recommend the company best suited to your needs. These advisers represent providers that offer more robust products and services—providers you can't access on your own.

What You Can Do

Here are some ways to address the under-insurance problem before it's too late:

- Be sure your insurance coverage is equal to the replacement value of your home and possessions (an independent broker can do this assessment for you). While increasing your coverage limits can impact your annual premium, some providers offset the expense with high-deductible options.

- Know what is—and isn't—included in your policy. For example, "mass-market" insurance policies exclude flood coverage and



Independent insurance brokers can help ensure you're covered fully if disaster strikes.

put limits on how much they will pay if your house needs to be rebuilt after a disaster.

- Review your coverage annually. In addition to addressing changes on your end, there may be new products on the market to enhance your protection.

- Consider whether you need a separate policy for fine art, jewelry, wine, antiques and other collectibles. Homeowners policies cap limits on "contents" coverage. Insuring high-value collections more appropriately can provide broader protection.

- Finally, look beyond the policy. With some providers, coverage comes with value-added services designed to lessen the likelihood of property damage. You also want to know that your claims will be handled with superior service and personal attention.

There are two costs of insurance: the insurance policy itself and the hidden costs of a claim: out-of-pocket expenses, time and aggravation. With proper management, insurance becomes not only more effective at protecting you, but also more affordable overall.

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