

Insurance Tips For Homeowners And Renters

(NAPSA)—Whether you're a homeowner or renter, insurance provides critical protection.

Homeowner's insurance protects your home's physical structure and your personal property. In contrast, renter's insurance only protects your personal property. Everyone—homeowners and renters—needs liability coverage to provide financial protection in case others are injured on your property or by your actions.

You have the option to insure your home and belongings for either their replacement cost or their actual cash value. Actual cash value is the amount it would take to repair your home or replace damaged possessions *after factoring in depreciation*. Replacement cost is the amount it would take to repair your home with materials of similar kind and quality, or to purchase new possessions *without deducting for depreciation*.

It's a good idea to make an inventory of all of your personal belongings and save receipts for major items, along with a photograph or video of each room. Store copies of the documentation in a safe-deposit box or another off-site secure location in case your home is destroyed.

Following are some helpful considerations provided by The National Association of Insurance Commissioners (NAIC), a voluntary organization of state insurance regulatory officials:

Important Considerations

If you have expensive valuables—such as jewelry, antiques or art—you'll probably want to purchase a "rider" to your policy, as these items are subject to coverage limitations in basic policies.

Damage to your home or belongings caused by flooding is NOT typically included in a homeowner's policy. If you live in an area prone to flooding, inquire about flood insurance through the



federal government's National Flood Insurance Program (NFIP). Your insurance agent can help you obtain flood insurance.

Insurance Tips for Different Life Stages

At different stages, you're likely to have different insurance needs. For instance:

- Young singles who are sharing an apartment with unrelated roommates each need their own individual renter's policy to protect their own possessions.

- Young families that add a swing set or trampoline for their kids should consider additional liability insurance.

- Established families that may be remodeling or building an addition should update their homeowner's policy to reflect these enhancements.

- Seniors should ask if they are eligible for discounts. And if you've just paid off your mortgage—and your homeowner's insurance was previously paid through your mortgage company—be sure to assume direct responsibility for the premiums so that your policy doesn't lapse.

Remember, before you sign an application for insurance, take a few minutes to stop, call your state insurance department and confirm that the company is legitimate and authorized to sell insurance in your state.

For more useful information about insurance, visit the NAIC's new consumer education Web site called Insure U Online at www.InsureUonline.org.