CONSUMER GUIDE TO

HOMEOWNERS INSURANCE



INSURANCE.MO.GOV • 800-726-7390







Your home is valuable to you.

But what if...

- Your home is damaged by a fire or storm?
- Your home is robbed?
- A guest is injured in your home?

Do you have the funds to replace everything that was damaged or stolen? **Insurance can protect you from such unpredictable events.**

Buying Homeowners Insurance

The Missouri Department of Commerce and Insurance has tools on its website to help you:

- Search for companies that sell homeowners insurance.
- Review frequently asked questions about homeowners insurance.
- Search for a licensed agent or agency near you.
- Review consumer complaint history for insurance companies.

Review Coverage



Review your policy **annually** to make sure you have enough coverage. You don't want to be underinsured if a disaster strikes.

VISIT INSURANCE.MO.GOV TO FIND OUT MORE

HOMEOWNERS INSURANCE BASICS



Homeowners insurance protects you from the unexpected burden of paying to rebuild your home should disaster strike. It also helps pay:

- Cost of personal property if it's damaged or stolen.
- Additional living expenses such as a hotel while your home is being rebuilt.
- Medical bills (up to a limit) if a guest is injured on your property.

WHAT IS COVERED BY HOMEOWNERS INSURANCE AND WHAT IS NOT COVERED

What is covered:

- Fire & smoke
- Windstorm & hail
- Lightning
- Vandalism & theft
- Weight of ice, snow or sleet
- Damage from car

What is not covered:

- Flood
- Earthquake
- Sewer & drain backup
- Normal wear & tear
- Cars parked on your property

Can't find a company to insure you?

Contact the Missouri Fair Plan: 800-392-7240 or missourifairplan.com

The Missouri legislature created the program to provide insurance to property owners unable to find coverage from private insurance companies.

- Compare prices of homeowners insurance from different insurance companies every two years.
- Go over the details of your policy with your agent or company. If you think you need more coverage, request a policy change.



ADD IT ON

If you own expensive items or have a sump pump in your home, you may need extra coverage on your policy to ensure that your home is better protected. There is coverage (called a rider or endorsement) you can add to your homeowners policy:

Sewer and drain backup

This covers damage caused by water backup from drains, sewers or sump pumps.



Jewelry, antiques, firearms
Expensive items need additional coverage. You may want to get them appraised for their value.

Home-based business

If you have a home business, this ensures your business items are also protected.





DEDUCTIBLES

A deductible is the amount you have to pay out-of-pocket on a claim before the policy pays the loss. Higher policy deductibles means lower policy premiums. A policy with a \$2,000 deductible has a lower premium than the same policy with a \$1,000 deductible. Having a higher deductible is a good way to save money on your homeowners insurance premium. But be sure you can afford the deductible in case you have a loss.

- You will be responsible for the policy deductible if you have a claim.
 A higher deductible can save you money on premiums.
- Parents of college students: If your child lives on campus, your homeowners policy may cover his or her belongings.

TARGET BEST POLICY PRICE

Missouri has a highly competitive insurance market. Use this worksheet to compare offers from insurance companies.

Homeowners policy coverage amount					
Fill in company name (above) & cost (below) to compare policies					
Dwelling limits	\$	\$	\$		
Personal property limits	\$	\$	\$		
Liability protection (each occurrence)	\$	\$	\$		
Other/Detached structure	\$	\$	\$		
Guest medical (per person)	\$	\$	\$		
Damage to property of others	\$	\$	\$		
Optional coverage (ask your agent)					
Replacement coverage	\$	\$	\$		
Sewer and drain backup	\$	\$	\$		
Jewelry and firearms	\$	\$	\$		
Art, collectibles and antiques	\$	\$	\$		
Additional policies					
Flood	\$	\$	\$		
Earthquake	\$	\$	\$		
Personal umbrella	\$	\$	\$		
Annual premium	\$	\$	\$		
Deductible	\$	\$	\$		

QUESTIONS TO ASK INSURANCE AGENT

Can you review the different homeowners policies?				
Which one is right for me?				
What does this policy cover?				
What is not covered?				
Do I have enough insurance to repl	ace my belongings?			
Does this policy give me replacement of actual cash value coverage				
Will my coverage limits increase ov or will I have to adjust them period	ver time ically?			
Does this policy cover water dama damage from sewer, drain or sump	ge, including pump backup?			
Do I need flood & earthquake insur	rance? What is the cost?			
Are there limits on expensive items	s like jewelry or firearms?			
How much will my premium be?	How much can I save by increasing my deductible?			
What discounts are available?				
Are there any improvements I can make to lower my premium?_				
How do I file a claim?				
Does your company have 24-hour	claim service?			

UNDERSTANDING YOUR DECLARATIONS PAGE

This page provides policy details to help you know how to better understand your coverage.

Policy period:

When coverage begins and ends

Limits:

The most your policy will pay

Deductible:

What you pay when you have a claim

Your Insurance Company

3535 Second St. Company Town, USA 54321

Policy number Policy period:

12 months

Effective date: Expiration date: May 1, XXXX May 1, XXXX

XX-XXXXXX-XX

Homeowners Policy <SAMPLE>

Automatic renewal: If the policy period is shown as 12 months, this policy will be renewed automatically subject to the premiums, rules and forms in effect for each succeeding policy period. If policy is terminated, we will give you and Mortgagee/ Lienholder written notice in compliance with policy provisions or as required by law.

Coverages & property

Liability limits

\$150.000

(4)

\$250,000

Dwelling extension (garage) \$30,000

B Personal property

C Loss of use SECTION II

SECTION I

A Dwelling

L Personal liability (each \$300,000 occurrence)

Damage to property of others \$1.000

M Medical payments to others \$2.000 (each person)

Inflation coverage index XXX.X

Deductibles - Section I

Earthquake

20%

Other losses

\$1,000

3

In case of loss under this policy, the deductible will be applied per occurrence and will be deducted from the amount of loss. Other deductibles may apply - refer to your policy.

Loss of settlement provisions (see policy)

A1: Replacement cost - Similar construction B1: Limited replacement cost - Coverage B

Forms, options and endorsements

XX-XXX Homeowners policy XX-XXXX Homeowners policy endorsement XX-XXX Earthquake excl. masonry veneer

Sewer, water backup \$10,000/\$500

deductible

Increase dwelling up to \$50,000 Jewelry and furs \$2,000 each

Option XX Option YY

XX-XXXX

Policy premium



\$1,200

6

Discounts applied

Home/Auto

Home protection (burglar and fire alarms, smoke detectors)

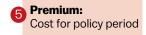
Claim record/Customer longevity

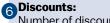
Age of customer

Your policy consists of this page, any endorsements and the policy form. Keep together.

Extra coverage:

Can be purchased for more protection





Number of discounts applied to policy

REPLACING YOUR BELONGINGS

Actual Cash Value (ACV)

The amount needed to repair or replace your belongings, minus depreciation. Depreciation is the decrease in value of property because of age or use.

VS.

Replacement Cost (RC)

The amount needed to replace an item at today's price.

Will the insurance company always pay the personal property limit shown on your policy?

No. The policy limit is the **most** the company will pay.

HOUSEHOLD BELONGINGS	ACV vs. RC (Most companies follow this formula)				
How replacement cost works: An insurance company will first pay you the ACV of an item. Once the item is replaced and a receipt submitted, the company will then settle up with you.					
	Actual cash value	Depreciation	Replacement cost		
Television (1 year old)	\$640	+ \$160 (20%)	\$800		
	\$1,120	* \$1,680 * (60%)	\$2,800		
Leather couch (10 years old)					

Replacement cost coverage may increase your premium.



PREPARING A HOME INVENTORY

A home inventory is a list of all your belongings – from socks to computers to furniture. If your personal property is damaged or stolen, having an inventory makes filing a claim with your insurance company much easier and you may even get a larger payment because your list will be more comprehensive.

Check it off: Tips to make your home inventory more useful

- Record specific details such as the serial numbers for electronic items and appliances.
- Photograph or video valuable items and keep them with your checklist.
- Update your inventory annually and when you make large purchases.



Download our Home Inventory Checklist from our website.



https://insurance.mo.gov/consumers/home/homeinventorychecklist.php



Keep your home inventory in a safe, fire-proof box, or store it at the home of a family member or friend. For electronic versions, email them to yourself.

PROTECTING AGAINST LAWSUITS

Accidents happen

Homeowners insurance gives you the protection you need in case someone is injured on your property.

It also protects you from:

- Lawsuits against you or your family members involving covered claims.
- Damage or injury your pets cause to others.



Protect everything else even while away from home



Homeowners insurance covers your possessions even if they are damaged or stolen while off-site, such as in a car.

Coverage for possessions outside of your home may be limited.

Talk to your agent or company about increasing your liability limits for more protection.

CONTACT US

For more information on other types of insurance, including:

- Auto
- I ife
- Health
- Business



CONSUMER HOTLINE

800-726-7390

For questions about your insurance policy or to file a complaint against an insurance company or agent:

insurance.mo.gov 800-726-7390

