

Don't Get RIPPED OFF by Your Homeowners Insurance!

Six Things to Check Right NOW.

Homeowners insurance is important and necessary!! Better to review the details now, prepare for a potential loss, as well as researching the best insurance for you, which could save you a lot of money in the long run. Do you own or are buying a house, you'll need to get a homeowners insurance policy. Its purpose is to protect against the unforeseen situations that threaten to ruin your dream house. Below are items to consider:

1. **You're overpaying for insurance**

Shop around. Homeowners insurance isn't as competitive as auto insurance, but it pays to shop. Most people stay with their homeowner's insurance company for 15, 20, or 30 years, typically as long as they have the mortgage.

Solution: Consider calling an insurance broker that represents 20+ companies and will look out for your best interests. At least ask the broker to review 3 to 5 homeowner's insurance policies and quotes. You may find a lower rate for better coverage. Definitely consider bundling your car, homeowners and other types of insurance, such as an umbrella policy.

2. **Don't be underinsured.**

CoreLogic, an Irvine-based company provides data to most major home insurers. They say 60 percent of all U.S. homes are underinsured by an average of 20 percent. Reasons why underinsuring happens: rising labor and construction costs, remodeling or additions, and possible errors in the properties description. Don't assume flood or earthquake coverage is included in your homeowner's policy. It usually is a separate policy.

In addition, if you have expensive items like furs, jewelry, computers, fine art, or high-end sports equipment, you may need extra coverage called a "floater." It's a separate policy with no deductible to cover an accidental loss.

Solution: Take an inventory of your belongings and what the replacement rate would be.

3. **How to Dodge Premium Hikes.**

Absolutely. Before you make a claim, consider how much the claim amount is and how much your premium might increase after a claim. Look at the amount of a claim. Compare against the number of months you'll be paying a higher premium. If you find, the total of higher premiums ends up costing you more in the long run, it's probably a safer path to just pay for the damage without filing a claim. Typical claims of under \$5,000 insurers found no significant premium increases.

Solution: Talk to your insurance broker or agent about potential premium price hikes with claims and for the length of time before you file a claim.

4. **Earthquakes, flood, hail: are a matter of WHEN, not IF**

Many people never read their insurance policies and expect that they're covered. Earthquakes are not covered by insurance policies unless you pay for it. Neither are most types of floods. Is your home located near or on an Earthquake fault line? If so, consider getting an extra Earthquake policy to make sure you're covered.

The U.S. Geological Survey identified 42 states with a reasonable chance of experiencing damage from earthquakes. They said 16 states, California included, have a relatively high likelihood and previous history of earthquakes of magnitude 6 or greater.

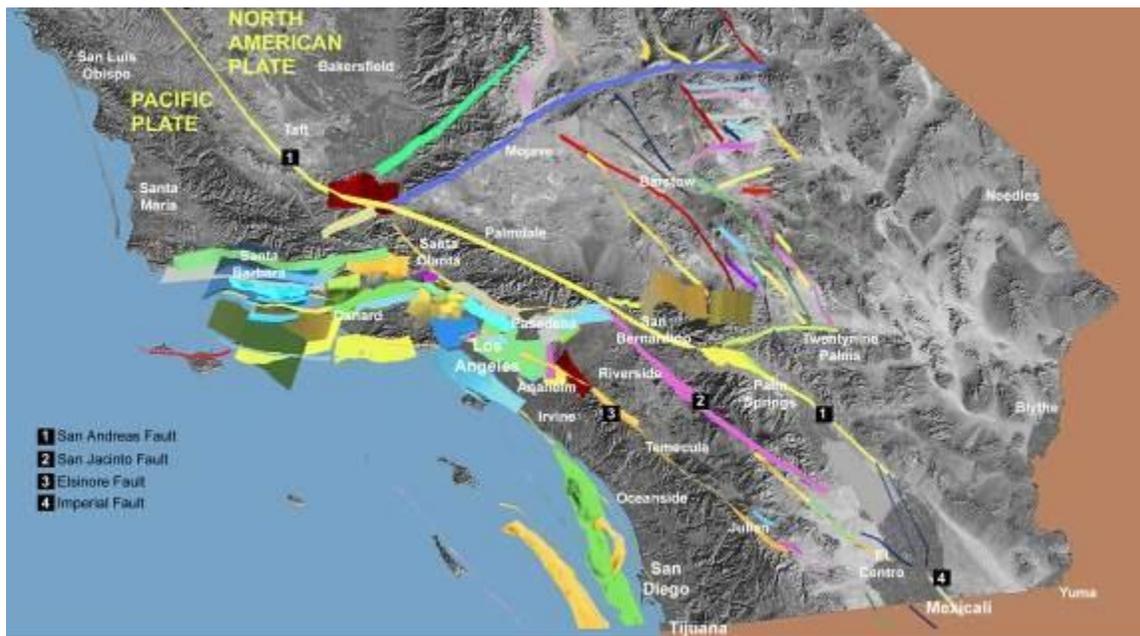


Figure 1 SCEC Community Fault Model.

Solution: Talk to your agent about supplemental Earthquake and flood policies.

5. Expensive items – take LOTS of pictures to make sure you get paid!

Do you have expensive paintings, jewelry, pricey electronic equipment, cameras, bicycles or priceless family heirlooms that may exceed the standard policy limits? Then, list the items and discuss additional coverage with your insurance agent. Larger claims will require further documentation to ensure the process goes smoothly. But even that isn't a guarantee of automatic payment.

Document your claim with photos and written estimates of the replacement costs. Get details from contractors and ask them to itemize their bill to clearly show all the costs line by line. This will help the insurance adjuster understand the true cost to repair or replace.

Solution: If an adjuster's interpretation of policy says something is not covered, ask them to show you the contract language.

6. Damage caused by pets or animals!

Do you have a small rodent problem? Small pests, vermin, are usually not covered by policies. Your own pets are usually not covered, such as chewing dogs. But, if your pet bites someone, that usually is covered under personal liability.

Solution: Talk to your insurance broker about your specific coverage.

Find out if you can get your home insured today!

If you would like to know more about buying, selling, or financing/refinancing in an increasingly complex process, please email me [here](#), or call me at **949-484-6322**.

Buying or selling a home is a big decision. Don't go it alone.

Dan Stone

949-484-6322

dan@MortgageFeeCoach.com

www.MortgageFeeCoach.com

We save our clients an average of \$25,000 on their home loans.

I'm always on YOUR SIDE.