

Homeowners Insurance Check-Up

The start of a new year is a good time to make sure you understand your homeowners insurance policy. A quick call to your insurance agent can save you time and money if you have to file a claim later this year.

Review Your Policy

A typical homeowners insurance policy will cover the structure, belongings and if someone is injured in your home. Replacement value is also provided in the policy. Actual cash value is the amount it would take to repair damage to a home or to replace contents after allowing for depreciation. Replacement cost is the amount it takes to rebuild or replace a home and contents without deducting for depreciation.

Level of Coverage

A policyholder should make a home inventory list with as much detail as possible. Make sure your liability limits are at the proper level. Special items, like jewelry, will require more coverage. An umbrella policy provides additional coverage above a homeowners or renter's policy.

Deductibles

Check to see if your company offers any discounts. You may be able to save money if you have more than one insurance policy with a company and fewer claims. Keep an eye on your deductible: the higher the deductible the lower the premium.

Action Items for Homeowners

- Pay the premium on time. Most insurers don't offer a grace period for paying the premium- the due date is the due date.
- Maintain your home. A homeowners policy insures against things such as fire, wind, and hail. It doesn't pay to repair items that wear out like rotted porch railings.

Here's a few questions to ask your agent after reviewing your policy:

- Should I raise my deductible? Are there any discounts available?
- A homeowners insurance policy does not cover flooding. Where can I purchase flood insurance?
- Will my policy terms change at renewal?



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