



Know Your Insurance Policy

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It has been an interesting year for insurance consumers in our area. We experienced heavy snow, an Earthquake and Hurricane Irene. The time to understand how your insurance protects you for these and other perils is before they damage your property. If you are faced with an uncovered loss the financial impact can be devastating. When you make choices regarding your personal and business insurance plan take time to know your options and select the coverage's best suited for your situation.

Earthquake – Most property policies do not cover earth movement. Coverage can often be added by endorsement for an additional premium.

Wind – Many home insurance plans now have a 2 – 5% of the dwelling limit as the deductible for wind damage. If your home is insured for \$300,000 a 2% wind deductible is \$6,000. Can you afford that? Discuss how your policy coverage and deductible applies for damage caused by wind. Look for a policy that does not contain a separate wind deductible.

Water Damage / Flood - Find out if you are covered for sewer back up losses and what your limit of coverage is. Are you covered for flood? Uncovered flood losses occur on a regular basis and can have a serious financial impact. Placing a battery powered back up on your sump pump may prevent a water back up should your power go out.

Replacement Cost Coverage – With the decline in property values many consumers feel they can lower the amount of coverage on their dwelling. The best insurance is designed to rebuild the damaged property. The insurance limit is based on construction costs and not on the market value of your home. If you carry an inadequate limit you may not be able to rebuild after a catastrophe like a fire. Review all the features of your home with your agent to make certain your limit of coverage reflects the replacement cost of your home.

Liability Limits - Understanding the limits of liability under your auto, home or business insurance is critical to your financial well being. If you've ever heard me say "insurance is fun" that is because I love talking about limits. Most people have never had an explanation of what the limits on the auto insurance even mean. You are spending your money to buy insurance anyway so why not take time to understand the protection you are paying for! One way to free up money to purchase a higher limit of liability is by raising your collision deductible. That is a smart insurance purchase!