

◆ InsureIntelligence ◆

A. M. Townley, Jr., BBA, MBA
Insurance Education Seminars

InsureIntelligence



**WILL YOUR
HOMEOWNER
POLICY REPLACE
YOUR HOME ????**

When is the last time you actually read your homeowner policy? Never? When you first purchased your home? For most homeowners, the answer is NEVER. Your home and your personal property may total up to be one of your largest assets, and yet we're not really sure how well we are protected.

Most homeowners rely on their personal insurance agent to help design their coverage and keep their policy up-to-date. So, even if you have never read your policy there are some questions you can ask your agent that can give you some confidence that you have proper coverage.

Stop now, look up your agent's phone number and call. Then ask the following questions.

1. *If my home is totally destroyed by fire or a tornado, will my policy completely rebuild my home?*

Today, many homeowner policies have a "guaranteed re-building" endorsement that requires your insurance company to actually rebuild your home even if it costs more than the policy limit shown on your policy. If it is available, have your agent add "guaranteed re-building" coverage to your homeowner policy. If it is not available, ask your agent to help you

cost of your home. Then be certain your coverage in the policy is equal to the "re-building" cost you and your agent determine. You may also contact a builder or an architect to help you determine how much money you will need to re-build your home in the event it is totally destroyed. Remember, once a fire or tornado destroys your home, it is too late to increase your coverage, so call your agent today!

2. *Will my policy replace all of my personal property inside my home.*

If your agent answers "yes" to this question, be careful, because only you know how much it will take to actually replace your clothing, furniture, electronic equipment and the other items that make up your "personal property". Your agent should answer that your policy provides "**replacement cost**" coverage on your contents. ***If your policy does not currently have "replacement cost" coverage, ask your agent to add it immediately!*** It is up to you the homeowner to determine the proper amount of coverage. You can calculate the cost of replacing all of your contents by creating a home inventory and also by making a photo-inventory. Then be sure your personal property coverage in your policy equals or exceeds the replacement cost you calculated.

InsureIntelligence is written by Alvin M. Townley, Jr.
750 Commerce Dr, Suite 308, Decatur, Ga 30030
(404) 377-7774 or (800) 633-1946
Alvin is a graduate of The University of Georgia where he received both his BBA and MBA with a major in Risk Management and Insurance. He is a regular speaker for ERS Seminars