

TIME

FOR A HOMEOWNERS
INSURANCE CHECKUP



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Have you thought about your homeowners insurance lately? If not, maybe you should.

Chances are the subject hasn't crossed your mind since you purchased your policy. And while buy and hold may work for some investments, it may not be the best strategy when it comes to homeowners insurance.

A policy that was adequate when you first purchased it may need to be revised because of changes you've made to your home or increased construction costs. You should consult with your insurance agent or broker to evaluate your policy and make sure it still meets your needs.

"You really should look at it every year," says Debbie Marmitt, a client advisor with Signature Select (www.signatureselect.com), a regional insurance broker based in Denver and a subsidiary of IMC, Inc.

In evaluating your policy, these should be your major considerations:

DO YOU HAVE ENOUGH COVERAGE?

If your property suffers serious damage – or the unthinkable happens and your home is destroyed – will insurance cover the cost of replacement?

You should have enough coverage to rebuild your house if it becomes necessary. With inflation in labor and materials, the construction costs will probably be considerably higher than when you purchased the home. If you don't have enough coverage, you may have to absorb a large hit out of your pocket.

Does your policy provide extended or guaranteed replacement cost for the dwelling and replacement cost for your personal property? Some standard policies will reimburse you on an actual cash value basis (current value minus depreciation), whereas with replacement coverage, you'll be reimbursed for the full value per the policy settlement options.

ARE YOU PAYING TOO MUCH?

One factor affecting premiums is the deductible. Marmitt recommends a minimum of \$1,000. The higher the deductible, the lower the premium. This will also keep you from filing claims for minor damages.

"You shouldn't be submitting claims for small damages anyway," she says. "It's not only the severity of claims but the frequency that can cause your premium to be raised. Your history could prevent you from getting a policy elsewhere should you decide to shop around."

Insurers often offer discounts for features such as smoke detectors, central-station fire and burglar alarms, interior sprinkler systems, even deadbolt locks.

HOW MUCH LIABILITY COVERAGE SHOULD YOU HAVE?

Marmitt recommends a minimum of \$300,000 of personal liability under your homeowners policy. "This coverage is the least expensive element that provides great financial benefit," she says. "You should also carry the same liability limit under your auto policy."

As a homeowner, you should give serious thought to an umbrella liability policy, which will cover you if you're hit with a judgment that exceeds your home or auto coverage limits. The minimum umbrella coverage is \$1 million. Defense costs are included under the policy, but check with your agent or broker to see if those costs are included in the policy limit.

DO YOU NEED FLOOD OR EARTHQUAKE COVERAGE?

Standard policies don't cover flood or earthquake perils. If you live in an area prone to such occurrences, you should consult with your agent or broker for coverage options. Mortgage companies may require such coverage if your home is located in a high-risk flood or earthquake area.

DO YOU HAVE VALUABLES?

Standard policies limit coverage for valuable items such as jewelry, furs and silverware. Most policies will include theft but not mysterious disappearance unless you specifically schedule those items. Losses to scheduled items are not subject to a deductible. Most companies will require updated appraisals every three to five years.

HOW ABOUT OFF-ROAD VEHICLES?

As long as you're on your own property, you may have liability and/or physical damage coverage under your homeowners policy for vehicles such as ATVs and golf carts. But once you cross the property line, the coverage ceases unless you've purchased a separate policy.

ARE THERE OTHER OPTIONS?

You might consider protection against identity theft or equipment breakdown that may be included – or can be added to – your policy. A yearly review with an independent insurance expert is the best way to stay informed about changes in the marketplace.



1586 Fifth Green Court

Outstanding location at the end of a cul de sac and backing to a fairway of the Carson Valley Golf Course. Two stories with bedrooms upstairs and lots of living area downstairs. Living room and Family room have gas log fireplaces. Attached 2 car garage, single carport and an RV garage-super for storing all the big toys or a shop. A lattice covered patio is well protected from the elements for backyard BBQs. There is even a 12 x 40 greenhouse type shed for the gardener in the family. MLS# 110003069 Offered at \$329,000.



1283 La Sierra Court

Immaculate 4 bedroom, 2.5 bath home with attached 3 car garage in Saratoga Springs on a large cul-de-sac lot. Great split floor plan with enormous Master Suite including a gas log fireplace and sunny bath area with whirlpool tub. The residence is bathed in natural light and has a tremendous amount of storage space throughout. The kitchen features file counters, island cook-top and breakfast bar in addition to a large dining area with gleaming hardwood flooring. Stucco exterior, dramatic tray ceilings and lattice covered patio. MLS# 100014186 Offered at \$329,000

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