

On the Home Front

Bi-monthly column by: Linda Skolnick

Is it time for a home insurance check-up?

Your home is likely one of your largest investment, so naturally you want to have financial protection in case something should happen to it or its contents. To offset these costs, you purchase homeowners insurance, of course. So, when was the last time you reviewed your policy to make sure that your coverage was up-to-date? If your answer is "when I purchased my home five years ago," it's definitely time to take another look at your policy.

Ideally, your homeowner's insurance policy should be evaluated once a year.. This review will help guard against you being under- or over-insured. Below are some situations that will help remind you why it is important to make sure that your insurance is current.

Have you added on a room or made significant upgrades to your home? What about structures outside your home such as a pool or gazebo? These improvements, undoubtedly, have increased the value of your home. When you purchased your homeowners policy, your coverage was based on the value of your property at that time. If there is damage to your home, you want to make sure that those areas are covered as well.

Did you know most insurance companies give discounts for features that increase the safety of your home? If you've installed items such as fire sprinklers ,a central home security system, smoke detectors, deadbolt locks or even added an upgraded electrical system, you could possibly reduce your premium.

Besides structural coverage, most standard homeowner's insurance policies include personal property coverage. Usually there is a percentage or dollar limit on the amount protected. Take a home inventory. Are your current limits sufficient? If you've purchased high-ticket items such as computers, jewelry, and artwork, you may need to get additional coverage. Talk with your insurance agent to decide if you should increase your limits or purchase a rider, which will give you higher and broader coverage than you have under your ordinary policy.

Different life events can affect your coverage. For example, if you get married and your spouse moves into your home, you will need to make sure that there is enough coverage for your combined assets and even all of the wedding gifts you received. On the other hand, if you divorce, you may be able to decrease your personal property limits.

Are your deductibles still relevant? Based on your current financial situation, you may want to adjust them. A higher deductible lowers your premium and increases the amount you will pay toward a loss.

Because the mortgage lender often pays insurance premiums, it is easy to overlook your insurance coverage. However as the homeowner, make it a priority to review your policy periodically and make changes as needed. That way if damage or loss does occur to your home or its contents, you are adequately insured. Speak with your insurance agent, who can give you more in-depth information and review options that may save you money in the long run.

Bottom line, a little planning now can prevent a big headache in the future!!!!