

# **7 Mistakes Every Homeowner Makes With Their Insurance!**

By Tom Larsen, Independent Insurance Broker

Written by an industry insider

This FREE REPORT will give you some insider information to better know how to handle your insurance. With so many fake ads and misleading ads, thinking you only need X amount of coverage or only 15 minutes to protect everything you own. Nothing could be further from the truth....especially when you own a home.

For example, did you know if you were sued in New York State, had a judgement against you for that this judgement attaches to any real estate you own? So if you carry low limits of insurance, get sued over that amount and lose in court, that judgement attaches to your home. You can never sell or refinance WITHOUT paying off that judgement, that is why they do a title search at closing.

**On to the 7 mistakes.....**

**Mistake #1** – Not bundling your auto & home together to maximize your discounts. I know sometimes it is hard, especially someone with claims but always try to do this. Most homeowner insurance companies take 10% off your home insurance and 10% off your auto insurance. So this savings could add up if you do bundle them together.

**Mistake #2** – Not knowing there are “sub-limits” on certain items in your homeowner policy. For example, you are a hunter and own several (maybe lots?) of guns. Almost all insurance policies have a limit like \$1,000 per gun, maximum of \$2,500 in any 1 loss. Or jewelry that you own – same thing here - \$1,000 per item not to exceed \$5,000, for example. Collectibles, guns, jewelry should all be talked about with your insurance broker and see if anything needs it’s own “schedule”. You will pay extra for this schedule but then the items are properly protected with insurance.

**Mistake #3** – Not carrying higher liability limits than the standard \$300,000, especially if you own a dog (72% of homeowners do!). Dog bites are becoming a more common liability claim but also are injuries around swimming pools. Two things any homeowner doesn’t think of to call their insurance broker – when getting a new puppy or installing a pool. And to go to \$500,000 liability limit (about \$20 a year) or \$1,000,000 liability limit (about \$40 a year) does NOT cost a lot of money either. Really inexpensive to protect you from the lawsuits of others in and around your home.

**Mistake #4** – Not having Underground Utility coverage on your homeowner's insurance policy. This covers you for \$10,000 to repair water lines, sewer lines, electrical lines that may be buried in the ground and fail. It could be due to rot, corrosion, rust, collapse but would be covered in any or all of these situations. For \$20-\$40 more per year for this endorsement (not a separate policy), again a very inexpensive add-on to protect yourself in a \$7,000 to \$10,000 claim. Just know that many insurance companies (think name brand ones that advertise a lot) do NOT offer this endorsement. And you may not have heard about it either, as it is only 3 years old and not all insurance companies have added it as an option.

**Mistake #5** – When you are bundling (see mistake #1), not properly reviewing your auto limits – especially S.U.M. limits. Liability limits on auto insurance protect you from the injuries you cause to other parties but S.U.M. coverage is for YOU & YOUR Family . S.U.M. coverage (Supplementary Uninsured or Underinsured Motorist) is where you collect injury monies on your own policy, if the AT FAULT driver only carried the NY State minimum of \$25,000 per person/ \$50,000 per accident. In my office, we always MATCH your S.U.M. limits to what you carry on your liability limits because it is protecting you & your family the proper way. Unethical insurance agents would only sell you \$25,000/\$50,000 so that they are not any claims against their insurance company.

**Mistake #6** – If you have lots of equity in your home or a high paying job, not carrying a personal umbrella policy. This gives you \$1,000,000 OVER your home & auto insurance, protecting you from lawsuits served against you. Like these dumb insurance commercials that promote “only protect what you need” - how do you know when you'll missed a stop sign and plow into a family of 6? Or your dog sneaks out and bites a kid walking by? Being prepared is much better than saying “well I only need this much or that much”. Insurance is for sudden & accidental incidents – how do you know when a sudden or accidental thing will occur?

**Mistake #7** – Not dealing with a local insurance broker, who can best analyze your own situation and then recommend the best coverage and insurance company for you. When you deal with an 800# company or online, are they really asking these questions of you? No, they are there to sell you an insurance policy and that is it. Then they pass you off to a service person who may handle your billing issue. And then they hand you off to a claims department if you have a claim. Not 1 in 3 times will you ever get the same person on the phone, like you would with a local broker. Local brokers are your best bet for reviewing ALL INSURANCE POLICIES and giving their recommendation – even if that recommendation is to stay where you are!

There you have my 7 deadly sins every homeowner should know about. Since your home is probably your biggest investment, you need to know how to properly protect you, your family and your finances should something go terribly wrong in your life. If you just have a quick question, I can be asked via email – [tom@larseninsurance.com](mailto:tom@larseninsurance.com).

For any review of your insurance policies, you need to call our office at 716-684-3203. Or you could attach via email to myself above.

Tom Larsen, owner, [www.larseninsurance.com](http://www.larseninsurance.com)

Independent Insurance Broker's representing over 19 insurance companies.

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***P.S. – Our clients say it best:***

Larsen Insurance Agency is wonderful. The staff responds quickly to all of our needs and helps us to stay on top of our policies. **Jennifer Bednasz**

Real people locally who care when I had questions or concerns about my policy!

**Debra Arnold**

Good, attentive service, and friendly staff! Oh- and I saved a bunch of money, too

**Adrienne Grace**

"I appreciated your personal service when I first contacted you. You answered all of my questions and took the time to explain my best choices." **Thomas Clouse**