

You Can Get Your FREE Homeowner Guide Here!

For Home Buyer's and Realtors

8 Tips to Understanding Homeowners Insurance

You will understand your homeowner policy better when you read this guide. You'll learn from an Independent Insurance Broker with 32 years of experience and an agency owner. You'll be better prepared with this knowledge.

Let's start with a basic understanding on a \$300,000 home example.

1- Here is what is included on your own, standard homeowner policy:

Coverage A = Replacement cost (RC) which is always what we recommend, not just the price you paid for the home. In our example = \$300,000, maybe paid \$287,000 for it but RC is \$301,055, so we'll use \$300,000 to keep it simple.

Coverage B = Other structures – like a garage or shed (Limit is 10% of Cov. A)
(\$30,000 in coverage based on our example home)

Coverage C = Your personal property, all your belongings, also recommend at Replacement cost too (Is usually 70% of Cov. A or \$210,000 in our example)

Coverage D = Additional Living Expenses – Like renting a hotel room for temporary housing due to a claim (Limit of 20% of Cov. A or \$60,000)

Coverage E = Liability protection + Medical Payments – a standard home policy Will have \$300,000 of liability but we recommend \$500,000 or \$1,000,000 For an additional cost of \$30-\$50 a year.

What are medical payments for? We'll use an example – Aunt Sue breaks her wrist falling at your home. She has poor medical coverage (or none) but needs to

pay for the emergency room and ambulance. She doesn't want to sue you, so uses medical payments on your homeowner's insurance to cover her medical bills she incurred.

2- Homeowner options – Built into a homeowner policy are sub-limits for certain items, like jewelry, gun collections, art & other collectibles. These items have a “sub-limit” of \$1,000 or \$2,500 on Coverage C, so anything over this amount would have to be scheduled for an added cost.

3- Homeowner options II – This endorsement here would be for water & sewer back-up in the basement, for finished basements, wine cellars, theater rooms, man cave etc. The standard homeowner policy will come with \$2,500 maybe. Sometimes a homeowner will add a finished basement or man cave 4 or 5 years into homeownership but fail to call their insurance agent. Just be aware that many times this coverage is optional. But can be added on at levels of \$20,000 or \$25,000 of coverage.

4- Homeowner Option III – Service line or call Underground Utility is a newer endorsement that covers buried utility lines, like sewer, water and gas. This is NOT automatic coverage and we highly recommend you have this. You get \$10,000 of coverage for a \$500 deductible here. Our average claim has been in the \$7,200 area, so for you to only have a \$500 repair bill is a win in our eyes. Especially with our older home's.

5 – C.L.U.E. Report – Stands for Comprehensive Loss Underwriting Exchange -

Which all insurance companies subscribe to, so there is no hiding that Roof claim or sewer back-up claim. Every homeowner claim you've had (and every auto claim too is in here) will show on the report. The Good News? Homeowner claims are NOT sur-charged like auto claims are. They Either renew your policy or non-renew it due to past claims history.

6 – Luxury Home Buyers – This is really a separate class of coverage because there are specialty companies that ONLY write homeowners in this space. They typically start at \$750,000 and up of coverage that Main st. insurance companies cannot match. So people of a High Net

Worth to protect, lots of assets to protect, need this specialized coverage

Here are some Luxury Homeowner's highlights:

- Full Replacement cost on home: unlimited not limited to Cov. A
- \$25,000 Medical Expenses due to an injury at home
- \$1,000 Tree replacement due to lightning or fire \$5,000 each
- Identity Theft \$50,000 included
- Fine arts breakage Included
- Water/ Sewer Back-up Unlimited
- Newly acquired fine arts or jewelry Included
- Personal injury – libel & slander Included

7 - You'd be wise to invest in a Personal Umbrella Policy – giving you added layer of liability coverage – from \$1,000,000 to \$5,000,000 of protection. This policy would go over your house, your auto's, a boat, an RV, a motorcycle, a snowmobile or rental property. Important coverage if you have young driver's, a dog, a pool, do a lot of entertaining in your home or are the atypical Mom or Dad driver of the soccer team! Personal Umbrella Insurance really gives what I call "peace of mind coverage".

What did you mean by an independent insurance broker?

We have over 18 insurance companies that write homes of all shapes and sizes. So we truly shop the market for you. Most brand name insurance companies, like the one's that advertise on TV a lot, have only their product to sell, that is the difference, choice of many companies vs one price, one option.

5 Reason's Why to Choose Larsen Insurance Insurance Agency –
www.larseninsurance.com

- ✓ **We build relationships not sell policies.**
- ✓ **We answer our phones LIVE, no voicemail used during business hours**

- ✓ **We educate consumer's, with over 45 video's on YouTube**
- ✓ **We have over 60+ years of combined insurance agents experience – if we don't know the answer to your questions, we will find it for you.**
- ✓ **We are local, invest locally, donate locally, keeping our dollars in our own community.**

What can you do now?

Give our office a call 716-684-3203

Go online to www.larseninsurance.com

Email Tom – tom@larseninsurance.com

Find me on Facebook - <https://www.facebook.com/tom.larsen.9066>

Watch our video's - <https://www.youtube.com/c/Larseninsurance/videos>

P.S. – You don't know how much we know, until you know how much we care.

P.P.S. – Our clients do talk:

"I love this company! Tom and his team have been providing service to my family for years! Couldn't be any happier". John Macaluso, Shadow Lounge and Adam's Rib Restaurants

"I currently own several properties and commercial properties including restaurants, bars and pizzerias. Larsen Insurance is still the best carrier for me over 15 years. I would never recommend anyone else and trust me I used others and no one is better than Tom Larsen and his educated team of professionals that work for him!!!!!" Joseph P. Dallos, Jr.

"Great team at the Larsen Insurance Agency. It's so nice that someone actually answers the phone when you call them! Very knowledgeable team and quick responses. I highly recommend them!"

Al DiChristofaro

"I like that when my husband or I call with a question the people at Larsen Insurance are polite, knowledgeable and get back to us right away with the correct information. No voice mail Jail... Loretta Nappo, February 2019

"The ladies in your office are very knowledgeable and professional, they always give the best advice possible" Ed Pytlik Norton's Plumbing, February 2019