

# Home Insurance Made Simple

A GUIDE FOR BUYERS



# Your guide to home insurance as a homebuyer

- *Christina Shaw*



Home Insurance offers protection against sudden and accidental losses to your home and personal property.

The policy is a contract between you and the insurance company, in which they promise to make you whole after a loss up to the limits of the policy, in exchange for the annual premium paid.

Typical homeowners insurance policies don't cover damage to your structure from things like flooding or earthquakes. However, they do help cover a wide variety of other losses, including:

- Fire and smoke
- Lightning
- Wind
- Hail
- Theft
- Vandalism

Most home Insurance policies are complex, but provide coverage for six major areas. This guide outlines and explains each one.

# What's Covered?

## **Dwelling Coverage**

Protects the structure of your house, such as the roof and walls and systems that support the home, such as electrical, heating and plumbing systems.

## **Personal Property Coverage**

Protects what's inside your home, like furniture, clothing and electronics even if it's damaged from a covered peril or stolen outside the house.

## **Liability Protection**

Defends and protects you if a person sues you after being injured on your property or after you damage their property.

## **Guest Medical Protection**

Pays medical expenses for someone who's injured on your property.

## **Additional Living Expenses**

Covers increased expenses if your home is uninhabitable after a covered loss.

## **Other Structures**

Protects the physical structure of buildings on your property separate from your home, such as a detached garage.

# Optional Coverage

## **Water Backup**

Covers water damage caused by your drain backing up or sump pump breaking.

## **Scheduled Personal Property**

Covers valuable appraised items like engagement rings or antiques.

## **Business Property**

Increases limits for business-related items stored in your home, like inventory.



# Actual Cash Value Versus The Replacement Cost

The value of most of your belongings decreases over time. Home Insurance allows you to choose one of the personal property coverages below.

- Actual Cash Value typically means your belongings are covered for their replacement cost minus depreciation. Depreciation is the decrease in an item's value due to its age, condition or other factors.
- The Replacement Cost Provision typically means your belongings are covered for the amount it would take to replace them at the time of the claim.

## **A deductible is your share of the cost.**

When you file a claim for a covered loss, you may be responsible for a set amount, called a deductible, to repair or replace whatever is damaged or stolen. Condo Insurance deductibles typically range from \$500 to \$2,500. The higher the deductible, the lower the premium.

# If you want to learn more about home insurance...

Our goal to make sure our clients are the best protected in the industry. We are there for you not only at point of sale, but for all service and especially claims. It doesn't cost any more to have someone in your corner.

Put my agency to work for you.

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