

MISCONCEPTIONS ABOUT INSURANCE

1) **“My personal property is covered by my landlord’s policy”**. Most renters mistakenly think that they are covered under the owner’s policy. Studies show that rented dwellings are more likely to be burglarized than owner-occupied properties, and most renters do not think about the value of their possessions until a fire or theft occurs. A couple examples of risks to which renters can be exposed are...

- Nearly nine out of 10 renters own one or more valuable electronic devices, such as computers, video cameras and home-theater systems. These can be very costly if they are stolen and have to be replaced.
- Half of all renters own pets, and these tenants face increased liability exposure, especially with dogs or exotic pets.

2) **“I have full coverage on my auto policy”**. Many people mistakenly call comprehensive and collision coverage “full coverage”, but the reality today is that there is no such thing as “*full coverage*”. With comprehensive and collision coverage, you will have a deductible that you will be responsible for. Not necessarily is every thing “fully” covered, such as intentional acts, as that is excluded from coverage on the policy.

3) **“My home is insured at replacement”**. When a policy is first taken out, we make sure that our customers are insured at replacement value by doing a replacement cost estimator. From that point on, the majority of insurance companies will automatically increase the coverage on the home annually, generally around 3-4% to keep up with inflation and make sure your coverage stays at replacement value. If you remodel or add on to your home, the value of your home increases, therefore you may not be covered at replacement value. This is why it is very important to let us know when you do remodel or add on, even if it is simply a deck. If you are not insured at replacement, an insurance company may apply depreciation at the time of a loss, and therefore reduce the amount you would receive for a claim.

4) **“I automatically have coverage for towing or rental on my auto policy”**. Most insurance companies do not automatically provide coverage for Towing/Roadside Assistance or Rental. Those are options that can be added to the policy, for an additional premium.

5) **“Water that comes into my home is covered under my homeowner policy”**. Naturally occurring water - including surface water - which may seep into a home, for example, through a window or door from a rain, is not covered. A flood policy would be required for this coverage to apply. The majority of our companies do have an *optional* coverage that can be added on for an additional premium for the backup of sewer or drain/sump pump, but each company does provide certain limited amounts of coverage. Unsure if you have that coverage? Check with us!

An insurance policy is a contract between you and the company, so always read and refer to the policy for what is and is not covered. If you are unsure, stop in or give us a call.

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