

NOTES TO AGENTS: This release is part of the Money Matters series offered by the Family Financial Education Team. This release will not be sent to statewide media.

-- Please add local contact information.

-- Please remember to alter the quotes if you substitute your own name in the release.

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[or YOUR NAME, PHONE, EMAIL]

Consider the basics for homeowner's insurance

MADISON [YOUR TOWN], Wis.—For most consumers, a home is the largest investment they will make, and many choose to protect that investment with a homeowner's or renter's insurance policy, says Karen Goebel, University of Wisconsin-Extension family and consumer economics specialist [or **alter the quote** and add YOUR NAME, TITLE, COUNTY].

Homeowner's insurance combines different kinds of coverage in one policy, including dwelling and personal property, personal liability, medical payments, and additional living expenses. Property damage coverage helps pay for damage to your home and personal property. Personal liability coverage applies to non-auto accidents on and off your property, if a member of your family, or your pet, causes injury or damage. Medical payments coverage pays if a visitor is injured at your home regardless of fault. And, additional living expenses are paid if you must move temporarily due to damages covered by your policy.

You may be able to save money on homeowners insurance by shopping around. Goebel [YOUR NAME] offers these money-saving tips from the Consumer Action website of the Federal Citizen Information Center:

-- Consider a higher deductible. Increasing your deductible by just a few hundred dollars can make a big difference on your premium. Make sure you have the deductible amount in your emergency fund.

-- Ask your insurance agent about discounts. You may be able get a lower premium if your home has dead-bolt locks, smoke detectors, an alarm system, storm shutters or fire retardant roofing material. Ask about multiple-policy discounts and discounts for nonsmokers and long-time policyholders.

-- Insure your house, not the land under it. After a disaster, the land is still there. If you don't subtract the value of the land when deciding how much homeowner's insurance to buy, you will pay more than you should.

Don't wait until you have a loss to find out if you have the right type and amount of insurance.

-- Make certain you purchase enough coverage to replace what is insured. "Replacement" coverage gives you money to rebuild your home and replace its contents. An "Actual Cash

Value” policy is cheaper but pays only what property is worth at the time of loss—your cost minus depreciation for age and wear.

-- Ask about special coverage for computers, cameras, jewelry, art, antiques, musical instruments, stamp collections, etc.

-- Work with your insurance agent to understand what’s covered and not covered in your policy. For example, homeowners insurance does not typically cover recreational vehicles, boats or landscaping.

-- Remember that flood and earthquake damage are not covered by a standard homeowner’s policy.

-- If you are a renter, don’t assume your landlord carries insurance on your personal belongings. Purchase a special policy for renters.

-- Notify your agent if you make major improvements to your home and remember to update your coverage if you’ve been in your home a long time. Some policies automatically include annual inflation increases.

Taking steps to prevent losses is as important as having insurance to cover them, Goebel [YOUR NAME] says. Install smoke and heat detectors, keep your property clear of combustible materials; check lamps, cords and switches to be sure there is no faulty wiring; practice home fire drills, especially with children; keep matches and smoking materials away from children; install adequate locks and take precautions against theft when you’re away from home.

Goebel also recommends that you prepare an inventory of your household possessions. Go from room to room and make a list of possessions and their value, especially items of \$100 or more. Include the garage, basement, attic and outdoor storage areas. Make note of property that is unusual or especially valuable. Take pictures or a video recording to accompany your list. The inventory will help in two ways: it makes the process of filing a claim easier, and it can help you determine whether you have adequate coverage on your current policy. Keep receipts and photos with your inventory, and store them in a safe deposit box, or at a friend’s house, so that a fire or storm won’t destroy your records when you need them most.

Goebel [YOUR NAME] also recommends that you get copies of your CLUE and A-Plus insurance claim reports to be sure they are accurate. The insurance industry tracks claims by address and uses information from "claims history databases" like Comprehensive Loss Underwriting Exchange (CLUE) to help gauge the insurance "risk" of potential clients. CLUE reports contain up to five years of personal property claims information like loss dates, types of loss and amounts paid. To get a copy of your CLUE report, go to www.choicetrust.com. For a free A-Plus loss-history report, go to <http://www.iso.com/products/2500/prod2562.html> or call the A-Plus Consumer Report 24-hour Request Line at 1-800-627-3487.

If you have a problem or concern regarding your insurance agency, contact the Wisconsin Office of the Commissioner of Insurance at 608-266-3585, or toll free 800-236-8517 (or 711 TDD, ask for 608-266-3586). For more information on homeowner’s insurance, see the

Consumer's Guide to Homeowner's Insurance on the web site of the State of Wisconsin Office of the Commissioner of Insurance at http://oci.wi.gov/pub_list/pi-015.htm. To learn more about family financial management, contact your county UW-Extension office [ADD LOCAL CONTACT INFORMATION].

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