



TYPES OF INSURANCE

HOMEOWNER'S INSURANCE

Homeowners insurance is a combination of coverages that address the risks of owning a home. The homeowner has several options, but the insurance will generally include coverage for losses due to fire, severe weather damage, burglary, vandalism and other perils.

Homeowners insurance is an important purchase for two major reasons:

1. To protect your property – Homeowners insurance covers both your property and you for personal liability you might incur for injuries to others or their property while they are on your property.
2. To satisfy your mortgage lender – Most mortgage lenders require you to have insurance as long as you have a mortgage. Even after you pay off your mortgage, reason number 1 is still enough to justify keeping your property insured.

A homeowners policy typically covers:

- Your house and other buildings on your property
- Your personal property in your home or on your property
- Your personal liability to others, such as legal costs if you are taken to court because someone was injured at your home.
- Medical payments for others accidentally hurt on your property
- Additional living expenses if you must rent a place to live while your home is being repaired

RENTERS INSURANCE

Renters insurance includes three important types of financial protection: coverage for personal possessions, liability protection and additional living expenses for those who rent an apartment or home. Loss of personal possessions can range from damage caused by fire or smoke, lightning, vandalism, theft, explosion and water damage (not including floods). If your home or apartment is damaged by a covered event and you have to live somewhere else, most policies will reimburse you the difference between your additional living expenses and normal living expenses. Plus, renters insurance helps cover legal costs if you're taken to court because someone is injured at your residence.

You can get either a replacement-cost policy, which will pay to replace your possessions up to the policy's dollar limit, or a cash-value policy, which will pay only what the items are worth when stolen or damaged. Commonly offered discounts include if you have a security system, smoke detectors and deadbolt locks. Multi-policy discounts, good credit and senior citizen discounts are also often available to renters.