



Frequently Asked Questions

About Homeowners Insurance

Who needs homeowners insurance?

Though you're not legally required to have it, almost everyone who owns or rents a home, condominium, co-op or apartment needs some form of homeowners insurance to provide them with financial protection against a disaster or accident.

What does a homeowners policy cover?

Most homeowners policies cover damage from the following disasters and occurrences: fire, lightning, wind, hail, explosion, riot, damage caused by aircraft or vehicle, smoke, vandalism, theft, volcanic eruption, falling objects, snow, ice, sleet, plumbing, heating or appliance, and artificial electrical current.

How much does homeowners insurance cost?

There are many factors an insurance company uses to determine the price of your policy:

- The square footage of the house and any additional structures
- Building costs in your area
- Your home's construction, materials and features
- Amount of crime in your neighborhood
- The likelihood of damage from natural disasters, such as hurricanes and hail storms
- The proximity of your home to a fire hydrant (or other source of water) and to a fire station, whether your community has a professional or volunteer fire service and other factors that can affect the time it takes to put out fires
- The condition of the plumbing, heating and electrical system

If you rent your home or own a condo or co-op, your insurer will not consider the size of the dwelling or building costs. However, the insurance company will take into account factors that make damage to your possessions more likely.

Do homeowners policies cover flooding?

Standard homeowners policies do NOT cover flooding. You can purchase flood coverage directly through your homeowners insurance agent. However, the policy is provided by the federal government through the National Flood Insurance Program.

What if I can't get coverage?

If you live in a high-risk area or own an old home, you should call your state's insurance department. They will be able to help you obtain coverage through a Fair Access to Insurance Requirements (FAIR) Plan. FAIR Plans were created in the 1960s to make insurance available in areas that had abnormally high exposure to risks over which they had no control. These plans are insurance pools that sell property insurance to people who can't get coverage in the voluntary market.

How can I keep my premium costs down?

There are several ways to keep your premium costs down. The easiest way to keep costs down is to raise your deductible as high as you can afford. The deductible is the amount of money you have to pay toward a loss before your insurance company starts to pay a claim. The higher your deductible, the more money you save on your premium. Many insurance companies will provide discounts if you have an alarm system, have a good credit history, or purchase both your homeowners and auto insurance from them.

