



Terms You Should Know

Actual Cash Value: The cost to replace the possessions or rebuild the parts of your home that have been damaged or destroyed, minus any depreciation.

Cancellation: Insurance companies cannot cancel a policy that has been in force for more than 60 days unless you fail to pay the premium or commit fraud.

Deductible: 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.

Endorsements: Written forms attached to an insurance policy that alter the policy's coverage, terms, or conditions. Sometimes called a rider.

Inflation Guard: An inflation guard clause added to your policy automatically adjusts the dwelling limit when you renew your policy to reflect current construction costs in your area.

Maintenance Damage: Damage due to lack of maintenance, mold, termite infestation and infestation from other pests. It is your responsibility to take reasonable precautions to protect your home from damage. Your insurance policy will not cover maintenance damage.

Master Policy: If you own a condo or co-op, this is the policy provided by the condo or co-op board that covers the common areas you share with others in your building like the roof, basement, elevator, boiler and walkways for both liability and physical damage.

Non-renewal: With an explanation, insurance companies can choose to not renew a policy after it expires.

Replacement Cost: The cost to replace the possessions or rebuild the parts of your home that have been damaged or destroyed.

