

Your Home is Your Castle

Insurance Tips

We've all seen it on the news: raging wild fires in New Mexico; mudslides and earthquakes in California; flooding of epic proportions in Texas; and tornadoes and hurricanes in other parts of the country. But when you actually experience it, the consequences of natural disasters can have a devastating financial, physical, and emotional impact.

While you may be thinking "I'm OK, I have insurance," it should be noted that many times, people don't have *enough* coverage. It is important to consider the appreciation in the value of your belongings and how much it would cost you to replace your valuables, as well as your home.

To get the full value of having insurance you should consider the following:

- **Start by documenting your possessions.** Videotape each room and if that's not possible, photograph them instead. You should write a list of all your credit card numbers and the serial numbers on your appliances, collect all important papers and receipts, and store them in a safe place.
- **Buy enough insurance to rebuild your home.** If you own a policy that covers only its market value, you may not receive the amount you'd actually *need* to replace your home. You should consider **guaranteed replacement value coverage** and be sure the appraisal includes the expenses you could face to satisfy any mandated building code upgrades. You also want enough coverage to be able to replace your possessions. Some *basic* policies would only cover approximately what you'd receive if you sold your possessions in a distress sale, hardly enough to comparably replace them.
- **Apply for discounts.** Check with your insurer about available discounts, such as installing smoke detectors or installing a sprinkler and fire alarm system to name just two. There may also be a discount offered if you are retired.
- **Get covered even if you are a renting tenant.** A landlord's policy only protects his or her structure, not *your* possessions. A typical renter's policy can help protect you from losing the value of everything you own.

In closing, the main thing is to act *now*; finding and acquiring the right policy to fill your needs will protect what you've worked hard for and help give you peace of mind.

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