



Do you find home insurance policies somewhat difficult to understand, even when you read them carefully? You're not alone; terminology can differ from carrier to carrier.

While there are a lot of things you need to be aware of when reading and understanding your home insurance policy, there are 5 key terms you need to know in order to make sure that your personal assets are protected and any potential liability is covered.

1 -Replacement Cost

Whether due to burglary or a natural disaster, you want to make sure that your home and possessions are replaced.

2- Water Backup

Water backup is a vital feature in coverage, and if you encounter an issue with water accidents, you'll be glad that you made sure it's included in your home insurance policy. Normally, the coverage is for situations that are not covered on a standard home policy.

3- All-Risk Coverage

All-risk coverage doesn't list everything that is covered - instead, it lists everything that *isn't* included. It's not imperative to purchase an all-risk coverage plan, but it's always good to ask for and evaluate. While there are some exceptions to all-risk coverage (nuclear war, flood and ground contamination), it can increase your sense of protection.

4- HOAs

If you're in a home that relies on a master policy as your primary coverage, read it carefully and pay attention to the details. You want to make sure that there are no special items, deductibles or gaps in the coverage between your personal and your master policy. You can easily get more clarity on this information by talking to your insurance agent or an HOA representative. It could come in handy to record these conversations (with their permission) so that you always have the information on hand when you need it.

5- Valuable items

It's not uncommon for valuable items like jewelry, guns, furs, precious metals, etc., to only be insured up to \$2,500. If your possessions are worth more than \$2,500 each, you will need a professional appraisal of the item in question and a photo of it to add to your home policy.

What additional questions do you have about homeowners insurance? We're here to help!

If you have additional questions about the right levels of homeowner's insurance, simply call! We're happy to help you out.

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