

BlackEnterprise.com Home Insurance Checklist

Your home is your castle, and probably your biggest investment. So, it's essential that whatever homeowners insurance you have or plan to purchase covers all your needs. Coverage protects you in case a fire or hurricane destroys your house or "even for smaller items like if someone burglarizes your home," says Loretta Worters, vice president of communications at the Insurance Information Institute. It can also protect you in the case of liability for any accidents on your property.

While Worter says only 2% of homeowners have no insurance, the remaining 98% need to be sure they have the right policy. With tips from [State Farm Insurance Co.](#), [Bankrate.com](#), and the [Insurance Information Institute](#), this BlackEnterprise.com checklist will help you find the best plan and tell you how to protect the valuables inside your abode.

___ **Know the replacement costs of your home and its contents.** These costs would cover the replacement or rebuilding of anything damaged or lost. It also might be higher than the original acquisition price. A home's replacement cost is the price to repair or replace the entire home. Ask for a replacement cost estimate when you have your home appraised, or consult your local builders association for an estimate. State Farm [advises](#) policy holders to make sure to also include the replacement cost of valuables so that the insurance company will pay what it costs to repair or replace your damaged possessions at today's prices without [deducting for depreciation](#).

___ **Inventory your valuables.** Create an inventory of your personal possessions that includes detailed descriptions such as make, model, price paid, location, and date of purchase. Keep photocopies of your receipts, warranties, and photos of these items. These documents should be protected in a safe deposit box or other safe haven outside your home, according to [Bankrate.com](#).

___ **Make your home disaster resistant.** You may be able to save on your premiums by adding storm shutters, reinforcing your roof, or buying stronger roofing materials. Older homes can be retrofitted to make them better able to withstand earthquakes. In addition, consider modernizing your heating, plumbing, and electrical systems to reduce the risk of [fire and water damage](#).

___ **Bundle your coverage.** Consider purchasing auto and homeowners insurance from the same company as most will offer a discount.

___ **Maximize liability coverage.** Liability protects you against lawsuits for bodily injury or property damage that you or family members cause to other people. It also pays for damage caused by your pets. The minimum on most policies is \$100,000 but the Insurance Information Institute recommends purchasing at least \$300,000 worth of [protection](#).

____ **Consider loss of use.** This type of coverage pays the costs of living away from home due to damage from a fire, storm, or other insured disaster. It covers hotel bills, restaurant meals, and other living expenses incurred while your home is being rebuilt. Many policies provide coverage valued at about [20% of the insurance](#) on your home.

____ **Boost your credit.** Insurance companies run your credit report when calculating the premium for coverage. For a better rate, make sure your FICO score is on par. Visit Annualcreditreport.com for a free look at reports from all three credit bureaus to keep track of your credit. You can also visit Myfico.com to purchase your credit rating.

____ **Ramp up security.** Many insurance companies will give a discount when you install smoke detectors, burglar alarms, and dead-bolt locks. Some companies will also give a discount for homes and buildings with sprinkler systems.

____ **Review your policy before renewing.** If you've made any upgrades to your home, bought or sold jewelry, art, and other items, or if the rate of inflation has risen since your policy began, your current coverage may no longer meet your needs. Update your coverage amount each year to keep up with your personal changes or the changing economy. Visit Insweb.com to compare quotes.

____ **Get a C.L.U.E.** The Comprehensive Loss Underwriting Exchange report contains the insurance claim history of a home and can help you judge some of the problems the house may have that may affect the type of insurance you need, according to Bankrate.com.

____ **Know how to file a complaint.** If you need to settle a dispute with your insurer, you'll need to contact your state's insurance commissioner. The [National Association of Insurance Commissioners](#) has a link to the insurance departments for every state on its Website.

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