



Homeowners and Renters Insurance

Homeowners and renters insurance terminology:

Adjuster

An individual who evaluates losses and settle claims.

Depreciation

When reimbursing a policy holder for property loss, insurance companies determine how much the covered property has decreased in value over a certain period of time.

Floater endorsements

Typically purchased to cover jewelry, furs and other items for which the full value is not covered in a standard homeowners or renters policy. (This is sometimes referred to as scheduled personal property.)

Loss of income

If a landlord's property becomes uninhabitable as a result of a covered loss, this insurance would replace rental income that would have been generated by the property

Personal property

Refers to a policy holder's belongings, such as household goods, furniture, clothing and electronics.

Replacement cost vs. actual cash value

Refers to the reimbursement a policy holder receives. Replacement costs reimburses the cost to replace the item today, while actual cash value reimburses the replacement cost minus depreciation.

Homeowners and Renters Insurance: It Pays To Plan Ahead

Dealing with the aftermath of a disaster is tough enough without the added strain of financial hardship. Disasters often strike when you least expect them to and can be devastating to your financial stability.

While it's never easy to recover from a disaster, having the right insurance will ensure that you have the extra help you need when you need it most. Whether you own or rent your dwelling, your best defense against loss is to prepare for the unexpected and protect your belongings with homeowners or renters insurance.

Homeowners Insurance

Your home is likely your most valuable asset, which is why it is especially important to safeguard your investment against loss. Required by most lenders as a condition of closing on a mortgage, homeowners insurance:

- Covers structural damage caused by fire, smoke, theft and vandalism.
- Pays for the cost to replace personal items affected by theft, fire or other covered events.
- Reimburses you for living expenses if you must temporarily relocate due to one of the events listed above.
- Provides liability coverage and medical payment protection if a visitor is injured at your home and decides to sue you.

Homeowners and Renters Insurance (continued)

It is important to note that valuables such as collectible art, antiques or jewelry won't likely be covered by a standard homeowners policy. However, you may be able to purchase special endorsements (or riders) to cover these types of items.

Renters Insurance

Unfortunately, many renters don't discover that their personal property is not protected by their landlord's policy until it's too late. How much would it cost to replace your stereo, computer or jewelry in case of fire or theft? Probably a lot more than it would cost to pay for renters insurance.

Renters insurance protects your personal belongings against losses due to:

- Forced-entry theft
- Fire
- Smoke
- Vandalism
- Windstorms
- Lightning
- Earthquakes (optional and available in California only)

While renters insurance isn't required by law, your landlord may have a renters insurance requirement built into your lease, so be sure to clarify this point before you sign on the dotted line.

Gain Peace of Mind

After a disaster such as a break in or fire, the last thing you'll need is yet another financial or emotional burden. Whether you own or rent your dwelling, having insurance can offer you the sense of security that comes with knowing the contents of your home are protected in the event of a covered loss. Review your homeowners insurance or renters insurance policy annually, and also when you make a major purchase, begin a home improvement project (if you are a homeowner) or make a significant change to your lifestyle.

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