Have you heard one of these sales pitches for Homeowners Insurance lately?

"Cheap, cheap, cheap ..." "Save $350 over what you have now..."
"Log on to 'Insurance Now.com' and save! ..."
"We can save you 25% ..." "Eliminate the middle man ..."

In spite of these popular sales approaches, the reality is closer to this instead:

"Good insurance isn't cheap, and cheap insurance isn't good."

There are four basic levels of homeowners policies (see chart below). The "basic" policy is inexpensive, but doesn't provide enough protection. Do the advertisements tell you this? Or are they employing the ***"bait and switch approach?"***

Do these ads clearly present **deductible options**? The difference can be ***significant***: $250 or $2,500! Some even use a percentage deductible such as 2% of the value of the home (2% X $285,000 = $5,700!)

Insurance policies are legal contracts - complex and loaded with exclusions (i.e., flood, earthquake). Are you capable of understanding these policies without the help of a lawyer? We think a professional insurance agent would come in handy to help you decide.

The names vary from one insurer to the next - some of the titles ***sound*** good, but in reality, they aren't.

HOMEOWNERS POLICY TYPES	PREMIUMS*
BASIC POLICY (HO-1 or HO-8): Fire, lightning, windstorm, hail, explosion, aircraft, riot, vandalism, smoke, volcanoes, and theft.	$513
BROAD FORM POLICY (HO-2): All of the above, plus: falling objects, weight of ice, snow or sleet, bursting of pipes, and freezing.	$739
SPECIAL POLICY (HO-3): "All Risks" now called Direct Risk of Physical Loss on your house, but ***not*** the contents.	$851
COMPREHENSIVE POLICY (HO-5) All Risk perils for both dwelling ***and*** contents.	$906

*Representative premiums based on a $200,000 house

What it comes down to is the old adage, "***you get what you pay for."***

Believe it or not, ***this is just the beginning*** of putting together a well written policy, tailor made for your needs. There are lots of endorsements: Replacement cost on contents, ordinance and law, mold & fungus, identity theft, just to name a few.

Does your Homeowners policy cover these?

CLAIM DESCRIPTION	HO-1	HO-2	HO-3	HO-5
Tornado, fire	Y	Y	Y	Y
Toilet overflows, pipe to icemaker bursts	N	Y	Y	Y
Neighbors dog charges sliding glass door, breaking it	N	N	Y	Y
While baking, sets oven rack on heirloom table	N	N	N	Y

We'd be happy to discuss the details of the scope of coverage that best meets your needs. Give us a call today!

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