

# Homeowner Pitfalls: Consider The 3 "Rs" to Find Out if You're Insured Adequately

## RENOVATING

- If the work is more than 10% of the value of your home or the fixtures in your apartment, you should work with your insurance agent to increase your property coverage limit.
- Use insured contractors, obtain proof of their liability insurance and have them name you as additional insured on their insurance.
- Never use unlicensed electricians or plumbers (your home can burn down due to bad wiring or have severe water damage from bad plumbing).
- If you're not going to live at your place during renovations, ask your agent about a "vacancy surcharge". If a loss occurs without notice, you may have a penalty reduction, or worse, a complete claim denial.

## RENTING

- If you rent your home or apartment to others, you need to notify your insurance company.
- Your policy may have to be amended or re-written if it's a long term lease (over 30 days).
- Insist that your tenant obtain a renters policy covering their personal property and provide liability insurance equal to or greater than the value of your house or apartment.
- **What if I rent someone else's home or apartment?** No matter the length of time you rent someone else's place, you should extend your personal liability—it's usually less than \$50.
- **What if my college student child rents off campus housing?** Be sure to extend your Liability to that student apartment or purchase a Renters policy for your college student.
- **What if I list with Airbnb?** Talk to us. We'll review both Airbnb's and your insurance to avoid gaps in coverage.
- **What if I've made my home into a Bed & Breakfast?** Definitely talk to us. You may need a whole different policy for a B&B operation.

## REMOVALS

- This applies to many cases: 1. You're moving house or apartment, 2. You're pending a sale or job transfer, 3. Your tenant(s) moved, or 4. Death of the owner.
- Insurance carriers don't like to insure vacant dwellings (no people, no furniture) and they can cancel the policy (usually on the renewal date).
- Specialty carriers offer "Vacant Dwelling" policies, but they're limited and more expensive.
- Often, a good strategy is to leave the dwelling furnished and arrange for a "house sitter".

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