

# What does homeowners insurance cover?

To put it simply, homeowners insurance is designed to repair, replace or recover the value of what you currently have (under coverage) if it's damaged due to any number of causes.

- Property Damage – This is by far the biggest claim maker, which includes damage to your house and any structures on your property due to water, fire and severe storms among others.
- Natural Disasters – Homewreckers like floods and earthquakes are usually not covered by basic plans, meaning, you'll need added coverage or a separate policy to keep your goodies protected.
- Standard Home Liability – This will cover you financially if someone is injured or their personal belongings are damaged while on your property.
- Extra Money for Living – If your house is too messed up to live in while it's being repaired or rebuilt, most policies will pay for a hotel and other living expenses, like groceries.
- Personal Property Coverage (AKA your stuff) – This will depend on the policy. Items like furniture may only be covered up to a depreciated value, but stuff like your bling might not have any coverage and will need additional insurance.

---

# What does builders' risk

# insurance cover?

A builders' risk insurance policy protects a construction project and almost everything that's part of the process as soon as it's on location, including the actual structure and even building site necessities such as porta potties.

The biggest difference between policies is what they protect against, like fires, explosions and falling objects.

**Builders' risk insurance policies will fall into three different forms of coverage: basic, broad and special.**

- **Basic:** Protects against fire, lightning, wind, explosions and more.
  - **Broad:** Protects against everything included in basic, as well as several additions like falling objects, water damage and a few more.
  - **Special:** Protects against theft and everything else.
  - **Exclusions and claims not covered:** The three forms of coverage will not protect against accidents, injuries and liability risks, as well as certain natural disasters like floods and earthquakes. Also, any peril that is specifically excluded from the policy will not be covered.
- 

## What is a deductible?

A deductible is the amount you're responsible for in the event of a covered loss. In most covered loss cases, you are responsible for any amounts up to your deductible level and your insurance would cover anything beyond that up to your coverage

limit. For example, if you select a \$1,000 deductible and have a \$4,200 covered loss, you would receive a claim payment of \$3,200 after deducting the \$1,000.

A deductible applies to each claim. If you have more than one claim in a policy period, you will be responsible for the deductible amount for each individual claim regardless of the number of claims you have during that policy period.

---

## **What is a deductible?**

A deductible is the amount you're responsible for in the event of a covered loss. In most covered loss cases, you are responsible for any amounts up to your deductible level and your insurance would cover anything beyond that up to your coverage limit. For example, if you select a \$1,000 deductible and have a \$4,200 covered loss, you would receive a claim payment of \$3,200 after deducting the \$1,000.

A homeowners deductible applies to each claim. If you have more than one claim in a policy period, you will be responsible for the deductible amount for each individual claim regardless of the number of claims you have during that policy period.

---

# What is flood insurance?

Flood insurance usually is a separate policy designed to help protect your home and belongings if they are damaged in a flood. Standard property insurance policies, such as homeowners insurance, typically do not cover flood damage.

---

## Is flood insurance required?

In some cases, you may be required to have flood insurance. If you own a home on land that is at high risk of flooding, your mortgage lender may require you to purchase flood insurance.

Flood insurance isn't just for homes in high-risk areas, though. The Federal Emergency Management Agency (FEMA) says that all 50 states have experienced floods, and that more than 20 percent of the claims it handles come from the moderate- to low-risk regions.

---

## Where can I buy flood insurance?

Flood insurance is generally available to people in communities that participate in the National Flood Insurance Program (NFIP). Flood insurance policies can be purchased through local

insurance agents (such as Allen Insurance and Financial) by homeowners, business owners and renters who want protection for their homes, buildings and belongings. (Landlords can buy separate flood insurance policies to help protect the home.)

---

## What is covered by flood insurance?

The Federal Emergency Management Agency (FEMA) says you can purchase flood insurance coverage to help protect your home, your personal belongings, or both. Here are some of the basics for these two types of coverage:

### Building property coverage

- **What it helps protect:** The physical structure of your home and its foundation; plumbing and electrical systems; central air and heating systems; attached bookcases, cabinets and paneling; and a detached garage (other detached structures need their own policy).
- **How it typically pays out:** Replacement cost basis (what it would take to repair the home in today's dollars) for a primary residence and actual cash value (which factors in depreciation) for a vacation home.
- Maximum coverage limit: \$250,000

### Personal contents coverage

- **What it helps protect:** Clothing, furniture and electronics; curtains; some portable appliances; freezers and the foods within them; and certain valuables, like art

(up to a specified limit).

- **How it typically pays out:** Actual cash value basis (takes depreciation into account).
  - **Maximum coverage limit:** \$100,000
- 

## Some examples of inland marine coverage for business

Inland marine insurance can be beneficial to both large and small businesses. It not only protects your business property while it's being transported, it also covers a customer's property while it's in your possession.

Protection of goods and equipment in transit is a big benefit of inland marine coverage and applies to all different types of shipments. A few examples are:

- Shipments from a supplier to a user
- Private shipments from one party to another
- Shipments from a main warehouse to a retail outlet
- Sales persons' samples
- Equipment of any kind that is mostly used off-site

A commercial inland marine policy may also cover damage your equipment does to infrastructure.

These policies offer coverage for all moveable property and equipment as it's transported from location to location, and typically offer full protection regardless of where the equipment is located at the time of loss or damage.

This fills in a gap that exists in other insurance products. A homeowners policy doesn't cover property or equipment that is used in a business capacity, and most commercial policies limit their coverage for equipment that is off the premises.

The type of equipment covered by inland marine insurance is virtually unlimited, but here are a few examples:

- Tools and equipment belonging to tradespersons or repair persons
- Equipment that is being moved to different facilities, such as lift trucks
- Testing equipment
- Pet grooming equipment
- Vending machines

Commercial inland marine insurance also protects fixed property that is deemed to be involved in transportation or communication under the instrumentality of the transportation or communication sections of a policy.

These fixed asset types include pipelines, wharves, docks, transmission lines, outdoor cranes and other loading equipment.

One final advantage of these policies is the protection they offer to bailees. Bailees are businesses that have possession of another person's property for repair, service or storage.

A commercial inland marine policy protects all of the property in their possession, covering all legal liability should a client's property be stolen, damaged or lost.

Just a few examples of bailees who would benefit from inland marine insurance are:

- Dry cleaners

- Jewelry repairers
  - Furriers
  - Furniture or appliance repair shops
  - Computer repair shops
  - Storage facilities
- 

## **What is inland marine insurance?**

Despite its name, inland marine insurance has nothing to do with protecting your boat. While the main job of this type of insurance is to protect commercial goods being shipped over land, it also covers personal property being shipped and expensive valuables that are stored at a home or business.

In many cases, inland marine insurance can step in to fill gaps left by your homeowners insurance.

In most cases the shipper is off the hook once the package is delivered, and whether the loss is covered by your homeowners insurance will vary by policy. Inland marine would step up and cover these types of losses.

Inland marine insurance will also step up if your shipped valuables are lost or damaged and the value exceeds the shipper's declared limit value, which is often much lower than you would think.

When it comes to protecting your valuables in transit, inland marine coverage can end up saving you thousands.