

What are the factors involved with vacation home insurance?

Let's be upfront: The quotes for a vacation home are typically higher than if the same home were your primary residence. The reasons for high premiums include:

- The property is typically left vacant
- Susceptibility to natural disasters (i.e., earthquakes, flooding, erosion, wildfires)
- Access to emergency services (i.e., a house fire)
- Rate of crime in the area
- The home is used as a rental property (including VRBO, Airbnb, etc.)

Each of these factors plays a role in the greater likelihood of filing an insurance claim, hence the costs.

Insuring a vacation home is relatively simple: homeowners can purchase an independent home insurance policy for the seasonal/secondary residence.

Some companies, such as Farmers Insurance, don't require you to have a homeowner's policy to insure your seasonal or vacation home. Either way, premiums are based on the same factors as any other residence. These include:

- Replacement cost value of the property
- Deductible
- Other applicable risks (see above)

Of course, nearly every vacation home insurance company applies different surcharges and prices their premiums at different amounts.

To give you an idea of how much it varies, Nationwide currently applies a 20% increase to policies covering secondary vacation homes, and State Farm only charges 10% for the same coverage. To make things even more complicated, you may be able to lower the cost if:

- The company also insures your primary residence
 - A full-time housekeeper lives in the vacation home
 - A caretaker lives on the grounds of the property
 - A maintenance company regularly checks on the property
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What is vacation home insurance?

A vacation home insurance policy is designed to provide coverage for your secondary property. It's also known as seasonal home insurance and secondary home insurance, depending on your intended usage of the property.

Vacation home insurance covers property damage, liability claims, burglary, recreational vehicles and more depending on the conditions of your policy.