



HOW MUCH INSURANCE IS ENOUGH?



In your household, maybe it's you who first purchased the insurance, but you haven't reviewed your documents in years. Maybe your spouse took the initiative and you never had time to review the terms of the policy. No matter what your household situation, it's wise to take inventory of your insurance policy to assess whether you need additional coverage in key areas.

DO YOU HAVE ENOUGH INSURANCE?

Look for these warning signals.

Warning: You insured for your mortgage or market value amount or you don't know the replacement cost of your home (what it costs to re-build).

Solution:

- *Base your insurance on the home's replacement cost – not the market value or mortgage amount:* Homeowners often incorrectly think they should base insurance on their home's "market value" (the purchase price), when actually it's the "replacement value" (the cost to re-build) they should consider. Compounding the problem is that banks often require homeowners insurance only to cover the mortgage (the finance amount). So it's confusing.
- *It helps to consider that building your home likely would cost more today than when you first purchased it.* That's why insurers calculate the replacement value of a home to cover such things as your recent remodeling job or room additions; demolition and debris removal; current cost and availability of skilled labor and supplies; and building to local codes which may require upgrades.
- *Find out the replacement cost of your home:* Ask your agent for help to calculate costs to rebuild at equal quality at the current cost of labor and materials.

Warning: You haven't looked at the limits on your policy since you purchased your home.

Solution:

- *Review the limits on your homeowner policy.* Our Prestige® policy gives you Full Cost Replacement Coverage (except in California and Florida where we offer Extended Replacement cost with a 200% limit). This adds protection for factors such as state or county building codes, quality of materials, current costs of labor, architect fees, and building supplies. While this is comforting, it's important to look at the Declarations page of your homeowners policy. If you even suspect an under-insurance problem, discuss it with your insurance agent. It never hurts to ask.
- *Check the limits on your valuables too —* such as jewelry, silverware, fine arts and furs. You'll find this in Section I, Personal Property, Special Limits of Liability in your homeowners policy. You may need to "schedule" your valuables if you have more than \$1,000 worth. Contact your agent for a thorough, no-cost, no-obligation review.

Warning: You have significant personal assets and you don't have high limit liability protection.

Solution:

A lawsuit could place your personal property and assets at extreme risk – and could go beyond the limits of liability provided by your homeowners policy. While the Fireman's Fund Prestige® line of policies offers you broad protection, Personal Catastrophe Cover is a policy that's important for you to know about — because the unthinkable can happen

and the financially devastating possibilities are endless. This personal excess liability coverage can provide you with high limit liability protection over and above what you are carrying for primary auto, homeowners, boats and other personal insurance coverages. You get all this at a cost far less than you'd expect.

Warning: You recently bought jewelry, furs, fine arts and silverware — each valued at more than \$1,000 — and you haven't told your agent about them.

Solution:

Typically, homeowners policies don't provide the level of coverage you need for your valuable possessions. Many homeowners policies limit coverage to only certain kinds of loss, and may even deny replacement of a cherished item! For example, most policies limit coverage on lost, stolen or broken valuable possessions and pay only \$1,000 total for a loss to unscheduled items.

The Fireman's Fund Prestige® policy is one of the best homeowners policies in today's insurance market. Even so, there are limitations to what we cover. That's why you should consider insuring items of exceptional value with our Scheduled Valuable Possessions policy. Call your Fireman's Fund representative for a thorough, no-cost, no-obligation review of your personal treasures today.

By having a Scheduled Valuable possessions policy with Fireman's Fund, you'll have automatic coverage up to 100% of the existing class to which the property belongs. Just be sure to report your new treasures to your agent within 90 days.

Warning: You did any of the following and forgot to notify your independent agent:

- Upgraded kitchens and bathrooms
- Remodeled any room
- Added new rooms
- Altered a room (e.g., recreation room to home theater)
- Built any porches, decks, garages or other structures

- Refinished the basement
- Replaced the roof
- Upgraded fixtures (e.g., gold faucets)
- Changed window treatments (e.g., custom designed draperies)
- Decorated with expensive wall coverings and faux finishes
- Purchased a second home or rental property

Solution:

- *Keep your agent informed.* Before you start even the smallest remodeling job, be sure to call your Fireman's Fund representative. They're available to help you make the right insurance decisions for safety and peace of mind.
- *Review coverages at least once a year.* Make sure to discuss with your agent any improvements or additions to make sure they're included in your insurance policy.

Ask for Help

Fireman's Fund recommends you discuss coverage with your independent agent to ensure you have a good understanding of how your policy will respond for you.

- According to Marshall & Swift, recognized consultants to the insurance industry, 70% of Americans under-insure their homes by an average of 29%.
- In a recent survey, 17% of Fireman's Fund® customers made improvements to their property in the last twelve months and forgot to call their insurance representative.

Now that you know the odds, you can beat them. Call your Fireman's Fund® representative today.



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The insurance policy, not this brochure, forms the contract between the insured and the insurance company. The policy may contain limits, exclusions, and limitations that are not detailed in this brochure. Coverages may differ by state.

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