

# P&C INSURANCE REVIEW

Property and Casualty insurance is an important piece of a households financial picture. Protecting large assets such as our homes, automobiles, and potential liabilities is paramount should an unexpected event occur. Follow this process to review your property and casualty insurance policies.

## Homeowners Insurance:

Step 1: Does the insurance cover less than 80% of your homes replacement value? If so, it's recommended that coverage is increased in order for the insurance company to fully cover the cost of damage caused by an insured event. If substantial improvements have been made or the homes value has risen, the coverage may also need to be increased.

Step 2: Have you made the insurance company aware of smoke detectors, security systems, and/or fire extinguishers? If not, doing so may provide a discount to the premium.

Step 3: Have you reviewed changing the deductible? Doing so could increase/decrease the premium. If sufficient cash (i.e emergency fund) is in place, a higher deductible could make sense.

Step 4: Do you have personal property that's worth more than the replacement costs or exceeds sub-limits on your homeowners insurance policy (i.e jewelry, antiques, collectibles, guns, coins, cash, etc)? If so, consider scheduling specific items.

## Automobile Insurance:

Step 1: Does the collision and comprehensive coverage cover the value of the automobile(s)? If not, ensure that the coverage is adequate for the approximate value of the automobile. Or, consider removing collision or comprehensive coverage if value is negligible.

Step 2: Have you reviewed changing the deductible? Doing so could increase/decrease the premium. If sufficient cash (i.e emergency fund) is in place, a higher deductible could make sense.

Step 3: Ensure that uninsured or underinsured coverage is provided on the policy. This protects against other drivers who may not have insurance.

Step 4: Who are the named drivers? If spouse or kids drive the automobile, ensure they're added to the policy.

### **Other Tips:**

- If there is a need for increased liability coverage, consider getting an Umbrella insurance policy. These are cheap relative to the protection they can provide.
- Consider "bundling" home insurance, automobile insurance and umbrella insurance with the same insurance carrier. Oftentimes, they'll provide discounts on premiums by doing so.
- Do you live in an area where earthquakes or floods are a risk? If so, consider adding earthquake and/or flood insurance policies.