

# KNOW YOUR POLICY

**Be sure you know the answers to these questions before you have to file a claim:**

- Is your home insured for at least 80 percent of its replacement value? (If you have less coverage, you may not be fully reimbursed for any partial damage.)
- Are your belongings insured for actual cash value (replacement cost of an item minus depreciation) or replacement cost (the amount it would take to replace the item at current prices)? Most policies provide compensation on an actual cash value basis rather than a replacement cost basis. Talk with your agent to determine whether purchasing replacement cost coverage is worth the extra premium.
- What liability coverages are provided in your homeowners policy? If you have questions, now is the time to ask your insurance representative for answers.
- What amount of medical payments coverage is included in your homeowners policy? This type of coverage pays for medical expenses of a guest injured in your home, regardless of fault. A medical payment claim begins, as do others, with a call to your insurance representative.

**The five homeowners package forms offered to owners of single family owner occupied homes are HO-1, HO-2, HO-3, HO-3 with HO-15 and HO-8. These policy forms insure your home and belongings against at least 11 named perils.**

- **Basic Form (HO-1)** insures your property against the first 11 basic perils (fire or lightning, windstorm or hail, explosion, riot or civil commotion, aircraft, vehicles, smoke, vandalism or malicious mischief, theft, falling objects, weight of ice, snow or sleet).
- **Broad Form (HO-2)** covers the above perils plus breakage of glass, accidental discharge or overflow of water or steam from plumbing, heating or cooling system, sudden and accidental tearing apart of mechanical systems or appliances, freezing of any of the above, sudden and accidental damage from an electrical surge, and volcanic eruption other than from an earthquake..
- **Special Form (HO-3)**, the most popular of all homeowner's forms, offers a broad range of coverage. This form provides comprehensive coverage on your home and broad named peril coverage on your contents.
- **Comprehensive Form (HO-3 with HO-15)** covers your home and personal property for everything that is not specifically excluded. This policy generally provides the broadest coverage available.
- **Modified Coverage Form (HO-8)** is designed to provide package coverage to the owner-occupants of homes that do not meet all the requirements applicable to other homeowners forms. The HO-8 provides building and personal property coverage slightly more restrictive than that of other homeowners forms for owner-occupants that include a replacement cost clause. The HO-8 is particularly well-suited for residences that have suffered extensive depreciation.