

HOMEOWNERS INSURANCE OVERVIEW

Understanding Home Insurance can feel overwhelmingly complicated or like you're being "sold" a bill of goods that you aren't sure you really need. There are some fundamental truths about home insurance that apply to all carriers and all offices. Equipped with the right information, as a consumer you can confidently find the ideal carrier to cover your home and belongings.

DWELLING

- In the event of a total loss this terminology defines what is covered by the different parts of your policy as well as how the cost of your policy is created. This is not defined by the insurance carrier but is often found by the carrier through your central district appraisal office.

RECONSTRUCTION COST vs MARKET VALUE

- Reconstruction Value = what it would cost to rebuild with today's cost of materials and today's cost of labor (value = sum of all the parts as priced in today's market. This value is defined by quantifiable cost amounts)
- Market Value = What your home would currently list to sell in today's real estate market (value of the home = the home as a total commodity; the location, current condition, improvements made/needed. This value is subjective.)
- When assessing a value for insurance the insurer will look at the cost to rebuild if you had a total loss, that number can look very different from the purchase price of the home. The insurance agency doesn't factor the value of location or school districts, just the materials and labor it would require should there be a loss.

LOSS of USE

- Coverage that helps pay the added expense homeowners suffer when having to relocate while the insured property is not inhabitable.

REPLACEMENT COST vs ACTUAL CASH VALUE

- Replacement cost = the amount it will pay for the full replacement cost of items in case of damage or theft.
- Actual Cash Value = only pays the depreciated value of items.

PERSONAL PROPERTY

- Everything from your TV to your toothbrush. Understanding what is limited and what needs to be scheduled. Limited? Scheduled? Terminology that is common in the insurance industry but not often used in everyday language.
- Limited - your personal property is covered by a homeowner's policy BUT it limits the coverage, or amount that will be paid out to you the insured, for specific items and categories.
 - Jewelry, Silverwares, Guns, Specialty Equipment
- Scheduled - These are policies within your homeowner's policy. If you have jewelry, art, collectibles, silverware, guns, cameras, sporting equipment, computer equipment, most things of remarkable value. Anything that you own that has

WATER DAMAGE

- Not all policies cover water damage and not all water damage is viewed equally under the policy.

WHO WE ARE

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15 years industry
experience