

Spring Cleaning For Your Insurance Policies: Update What You Need and Eliminate What You Don't

Six Questions to Help Assess Your Homeowners, Auto and Other Coverage Needs

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NEW YORK, April 6, 2015 "Spring may be the traditional time of year for cleaning out closets and drawers and organizing attics, but it is also a great time to review of your insurance coverages, according to the Insurance Information Institute (I.I.I.)."

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"Just as it is important to look at your wardrobe, electronics and other personal items to see what needs to be tossed, fixed, updated or stored for the coming months, everyone should do a thorough evaluation of their insurance coverage at least once a year," says Jeanne M. Salvatore, the I.I.I.'s SVP and Chief Communications Officer. "So why not make a policy review part of your spring cleaning ritual?"

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As your life changes so do your insurance needs. Instead of just dusting around the corners of your insurance policies this year, take the time to read them over and ask yourself the following key questions:

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1. Is my home covered for its full rebuilding cost?

Review your policy to make sure that you have enough insurance to rebuild your home. If you have made major improvements to your home, such as adding a new room, enclosing a porch or expanding a kitchen or bathroom, you risk being underinsured if you don't adjust your homeowners insurance coverage limits.

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And if you don't yet have a separate flood insurance policy, now would be a great time to check whether your home is in a flood risk zone at FloodSmart.gov.

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For more information: [How Much Homeowners Insurance Do I Need?](#); [Does My Homeowners Insurance Cover Flooding?](#)

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2. Do I have enough coverage for expensive items?

Have you bought or received as a gift any valuable jewelry since you purchased/renewed your policy? And, when was the last time you had the items you owned appraised? Standard homeowners insurance has dollar limits for the theft of certain types of expensive items like jewelry, furs and silverware. This means that the insurer will only pay the amount specified in the policy—generally \$1,000 to \$2,000. To insure these items to their full dollar value, consider a special personal property endorsement or floater. This coverage includes “accidental disappearance,” meaning coverage if you simply lose that item—and there is no deductible.

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But remember that items can go up or down in value. Floaters and endorsements are priced on the appraised value of an item or collection so have periodic reappraisals done to make sure you are purchasing only the amount of coverage you actually need.

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The best way to keep track of your belongings and make sure they are adequately insured is to create a home inventory—find out how here.

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3. Do I still need comprehensive/collision on my car?

If you’re driving an older car that is worth less than \$1,000 or less than 10 times the insurance premium—the optional coverages may no longer be cost effective. Consider saving money on your premium by dropping either comprehensive or collision.

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4. Do I have enough liability insurance to fully protect my assets?

Standard homeowners and auto policies liability coverage, paying for judgments against you and your legal fees, up to a limit set in the policy. However, in our litigious society, you may want to have additional protection—that’s what an umbrella liability policy provides. An umbrella policy kicks in when you reach the limit on the underlying liability coverage in a homeowners, renters, condo or auto policy. If your assets have increased of late, you’ll have more to lose and may want to consider this extra layer of protection.

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5. What kind of vacation will I be taking this summer?

If you are taking an expensive, pre-paid vacation or an active vacation such as biking or hiking in an exotic locale, travel insurance can help protect the financial investment in your vacation.

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6. Should I rent out my house during the vacation period?

Whether you own a second home that you plan to lease to a tenant, or want to rent out your primary residence through an online service such as Airbnb, your first step should be to call your insurance professional. Depending on the rental scenario, your standard homeowners policy may not cover losses incurred while your home is rented out, and you may require a more specialized insurance policy.

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Most importantly, whether it's winter, spring, summer or fall, plan a regular talk with your insurance professional so he or she can help you get the coverage you need.

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