

Homeowners insurance is a policy that most everyone who buys a home has to purchase at some point in time. Often though, for the first time home buyer out there, this is just one of many distractions in the process that have to be checked off before the loan can close. In that kind of scenario it is pretty easy to see home insurance as something you have to buy rather than something you want to buy. Of course if the fire engines are racing toward your home a year or two later, you may suddenly find yourself wondering what you left off or rushed through in the process. Here's a list of a few of the most common mistakes that homeowners make when buying home insurance.

Let's start with a real biggie. Under insuring your home. Often when people engage in the insurance buying process they are primarily focused on one thing, how much it will cost. This is basic human nature. For most people, insurance turns out to be nothing more than buying a promise. If you never have a loss, you could feel that you aren't really buying anything at all, even though you are actually purchasing peace of mind and the promise of financial stability in the event of a large loss to your property. I mean, as boring as it is to go mattress shopping or washing machine shopping, at least you do come home with something tangible for your efforts and for the drain on your pocketbook.

The problem of underinsurance can be accentuated by the fact that when it comes to insurance protection you should be focusing on the replacement value of your home – you will have to build it back after all, and this can often exceed the price you just paid for the home. Your agent should help walk you through the process of determining the replacement value of your home so that you can insure it for full value. This won't leave you with as much of a queasy feeling as those sirens are getting closer.

Another huge mistake that can be costly for homeowners is not checking to see if their home is in a flood zone area. Homeowners insurance policies in North Carolina do not cover flood losses. Imagine for a minute where you would come up with the money to clean up after a flood loss that does damage equal to 1/3 of your home's value. For those with mortgages, this will often be caught by the bank, whose job it is to look for this kind of thing. In fact, I've seen several situations where a bank might require a flood insurance policy when the flood zone might only cross a lower corner of the homeowner's back yard. Again, if this happens, your agent can be very helpful in speaking with the bank to attempt to waive the flood insurance requirement.

Insuring valuable items separately is another place where homeowners often make a mess of

their policy. If you have valuable items like jewelry, painting, musical instruments, guns or silverware, then you should consider adding coverage for these items under a separate endorsement. The advantages of doing so can be better coverage and protection as coverage for these items may be severely limited under your homeowners policy. If these things are important to you, take a few extra minutes and make your agent aware of them and discuss the best way to protect them. Some homeowners policies will allow you to add a blanket endorsement for a low limit of coverage for these types of items. This is a simple, quick and inexpensive way to protect these items if your collections are not extensive.

At Clinard Insurance Group, located in Winston Salem, NC, we insure thousands of homes all across the state. We will take as much time as you need to listen to your story and to help you fashion a homeowners insurance policy that best suits your needs and your budget. If you would like help with your homeowners insurance or your auto insurance, please call us, toll free, at 877-687-7557.