Guide to Homeowners Insurance

This guide:

- Describes the types of homeowners insurance available
- Explains how to choose what type of insurance fits your personal needs

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Disclaimer notice:

The information included in this publication is meant to serve as a guide and is not a substitute for legal or professional advice. Please be certain to check with a professional if you have questions. Updated June 1, 2012. May change without notice.

Homeowners Insurance at a Glance

Why Buy Homeowners Insurance?

Owners: To protect your house and personal property.

Tenants: To protect your personal property.

Owners and Tenants: To protect yourself against liability for accidents that injure other people or damage property.

Homeowners Insurance at a Glance

Homeowners insurance may pay for repairing or rebuilding your damaged home, temporary shelter if your home is uninhabitable, damage to your home's contents and your personal belongings that are damaged or stolen. It may also cover medical expenses of injured guests, damage to someone else's property and legal fees and court judgments if you are found to be liable. But only if a covered **peril** (see glossary) caused the loss and you did not intentionally cause the loss.

Find What You Need: Insurance companies generally offer many policy choices with varying coverages and exclusions. You can add coverage with endorsements to meet your individual needs.

You could lose your insurance and be forced to shop for another policy as a result of non-payment of premiums, poor home maintenance or too many claims.

You can shop for insurance from more than 100 companies authorized to sell homeowners insurance in Ohio by using a local agent or shopping by mail, phone or the Internet.

To assist you in shopping and with policy and price comparisons, please refer to the sample premiums online at www.insurance.ohio.gov

Homeowners Insurance Cost is Affected by Many Factors, Including:

- The type of policy and amount of coverage chosen
- Additional coverages selected, as well as deductible levels
- Where you live
- The type, age, and condition of your home
- Credit and claim history

Perils & Policies

Peril is the word the insurance industry uses for any event that could damage your property.

Most policies have two sets of perils:

1. Covered perils
2. Excluded perils (not covered by your insurance policy)

Policy Choices - Read Your Policy Carefully

While each insurance company prepares its own contracts, most sell policies that are similar. The form number on a typical policy usually includes one of the below labels.

HO-2 & HO-4 The Broad Form
These policies list EVERY covered peril. The policy will not pay for any peril not listed.

HO-3 The Special Form
The HO-3 is the most common homeowners policy today. Instead of listing the perils it does cover, the HO-3 policy lists the perils it does not cover. The policy will pay when the building damage is caused by any peril (subject to limitations in the policy) that is not on the list of exclusions. The HO-3 coverage for contents (personal property rather than the structure) is identical to the HO-2.

HO-4 Tenant (renters insurance) The Broad Form
The HO-4 policy insures the contents of your rented home but not the building itself. It lists every covered peril.

HO-5 Comprehensive Form
The HO-5 covers most types of damage except earthquakes, wars and floods.

HO-6 Condominium
The HO-6 policy insures your condo contents and only the portion of the building you own (such as the interior walls) independent of other owners. Know what part of the building your insurance covers and compare it to the parts covered by the condo association. Make sure the gaps are filled.

HO-8 Market Value
The HO-8 policy insures the structure based on its "market value." If your house burns down, the policy will pay no more than it would have sold for on the day before the fire.

Mobile Homeowners Insurance

Companies use a special policy to insure mobile homes (with or without wheels).These policies are not as standardized as other home policies, so read them carefully. Physical damage coverage for a mobile home may differ significantly from standard homeowners policies.

Typical Exclusions for the HO-2, -3, -4, -5 and -6 Forms

Typical exclusions include earthquake, flood, water damage (sewer backup or basement leak), power failure off your premises, poor home maintenance, war, collapse, nuclear hazard, intentional acts of an insured, and laws and ordinance enforcement (building codes). Be sure to review your policy's exclusions and limitations so that you know what is not covered. You can usually purchase additional coverage for most items that are excluded under the policy.

Coverage Requirements

Reasons to Properly Insure Your Home and Contents

Bank Requirements: If you have a mortgage on a house, the bank will require you to insure the house for at least the amount of the loan.

Policy Requirements: Most insurance policies will require you to insure the house for at least 80 percent of the replacement cost. If you have less coverage than 80 percent of the home's replacement cost, the company will pay only part of any repair bill. You may pay much more in out-of-pocket costs in the event of a claim.

Financial Protection: Liability coverage that pays if you are legally responsible due to bodily injury or property damage to others. The insurance company will negotiate a settlement, defend you in court and pay any judgements, subject to policy provisions.

Guaranteed Replacement Cost

To protect you against accidentally underinsuring your house, many companies offer guaranteed replacement cost policies. The following demonstrates how these policies work:

- You have your house insured for 100 percent replacement cost and you accept increases in both policy limits and premiums at renewal
- The company will pay the cost to rebuild or repair your house, even if factors such as inflation have increased cost above the insurance coverage
- Depending on the policy, you might not be covered for "ordinance and law" - a provision that pays for needed upgrades to meet building code requirements
- Replacement coverage to rebuild your home at the same location

The Risk of Being Underinsured

If you have a claim you may expect that the insurance company will pay the full cost of replacement or repairs. This only occurs when your house is insured for at least 80 percent of the replacement cost to rebuild the structure. If your home is insured for less than 80 percent of the replacement cost, the company will pay only part of any repair bill.

An Example of the Danger of Underinsuring Your Home

If the replacement value of your home is $100,000, the minimum coverage a policy may require is 80 percent or $80,000. If you are covered for $60,000, the insurance company will pay only 75 percent of the repair costs for any damage. You are responsible to pay the rest. If a storm, for example, causes $1,000 in roof damage, the policy will cover 75 percent, or $750. The company will then subtract the $250 deductible and pay you only $500 for repairs. The remaining $500 will be your responsibility to pay. These percentages hold true as the cost of the claim rises and you remain underinsured.

Personal Liability Coverage

Personal liability coverage is automatically included in all homeowner and tenant insurance policies. This coverage protects you against a claim or lawsuit resulting from bodily injury or property damage to others caused by your negligence. It has a dollar limit on the amount the insurance company will pay on a claim. It covers you and family members residing in the home, including dependants under age 21 that live elsewhere, such as college.

This section of the policy also pays when you are legally obligated to cover damages because of something that happened on your property (e.g. someone falls) or as a result of your personal activities (e.g. hit a ball through a neighbor's window). The company will pay to represent you against a liability claim or lawsuit, there are no policy limits on legal expenses. The following is a sample of common liability coverage:

- Personal liability: $100,000
- Medical payments: $1,000
- Property of others: $500

Medical Payments (MedPay)

Regardless of who is at fault, this coverage pays medical expenses for persons accidentally injured on your property by a member of your family or by your pets. MedPay payments do not apply to injuries to you, to family members living with you or to activities involving your at-home business. You should check with your agent or insurance company to determine if the amount of medical payments coverage is sufficient.

Damage to Property of Others

This type of coverage pays if you lose or damage someone else's property. Typical exclusions include the following:

- Intentional acts that injure someone or damage another's property
- Claims resulting from business or professional activities
- Injuries or damage you cause by operating a car, plane or motorboat

How Liability Coverage Works

The insurance company will first try to settle any liability claim. If all goes well, you will probably never hear about the claim again.

If you are sued, you will receive a summons or notice of a lawsuit — you should immediately notify the company, which will appoint a lawyer to represent you. You may find it prudent to consult your own attorney as well. If you lose in court, the company will pay up to the policy limits. If the court settlement is more than your policy limits, you will have to pay the difference. Consult with your own attorney beforehand if it appears that your policy will not cover the entire settlement, or if you are unsure about your possible liability.

Also, if you are accused of intentionally injuring someone or intentionally damaging property, the insurance company may refuse to defend you. For more protection, many companies offer umbrella coverage to let you increase your liability protection beyond the homeowners policy limits. You may be able to buy an umbrella to protect yourself from the possibility of a huge negligence lawsuit. However, many companies offer this coverage only if they insure both your car and your home.

When Someone is Injured on Your Property

- Immediately write down who, when, what, how it happened and ask any witnesses to do the same
- Call your insurance agent or company and file a report — do not wait for the injured person to make a claim
- Tell the injured person how to contact your insurance company
- Cooperate with the claims adjuster

Insuring Your Personal Property

Personal property is defined for insurance purposes as the tangible assets that fill your home. In other words, it is the contents of your home and other belongings owned by you or family members who live with you. Your policy will have an overall limit on how much it will pay for all personal property involved in a single claim. The typical limit is a minimum of 50 percent of the home's insured value.

Separate Limits: Policies have separate limits on such things as jewelry, computers and fur coats. Your computer may be covered for $2,500, and if the computer is worth more than that, you may increase your coverage by adding a scheduled limit.

Personal Property Claims

There are two different ways that policies will pay for personal property damage: Actual Cash Value (ACV) or Replacement Cost. Below is an example of ACV versus Replacement Cost using a stolen television set.

Actual Cash Value (ACV)

ACV coverage pays no more than the TV's value on the day it was stolen or destroyed. Usually, ACV equals the current replacement cost minus depreciation. If you paid $500 for the TV five years ago and its value is now $100, a policy with ACV coverage will pay only $100 after you pay the deductible. If your policy has a $250 deductible, you would collect nothing because the TV's current value is lower than the deductible.

Replacement Cost Coverage

After you have paid your deductible, you are entitled to the cost of replacing your lost TV with a comparable new TV at today's price. However, you must have proof that you have bought the new TV. The insurance company may pay you only the actual cash value if you do not have proof of purchase.

After-the-Fact Expenses

Repairing your house is only part of the expense of recovering from a disaster. Fortunately, insurance policies usually pay for reasonable after-the-fact expenses, like:

- **Additional living expenses:** room and board (e.g. stay at a hotel or motel) while you are unable to use your house
- **Trees & shrubs:** a set amount for damage to specified items
- **Temporary repairs:** boarding up windows or other temporary repairs to minimize additional damage (reminder - the insurance policy requires the insured to take steps to minimize further damage, such as boarding up windows)
- **Fire department charges:** some communities charge a fee for emergency response, some policies provide reimbursement for up to $500
- **Debris removal:** removing damaged property from the premises after a loss
- **Property removed:** 30-day coverage for personal property stored at another location while your house is being repaired (covers property at stored location, does not cover cost of storing)

Flood, Earthquake & Mine Subsidence Coverage

Flood Insurance

Because of the potential for catastrophic losses, private insurance companies are reluctant to assume the risk of writing flood insurance which prompted the United States Congress to create the National Flood Insurance Program (NFIP).

You cannot buy flood insurance unless your local government qualifies for the NFIP. To qualify, a community must adopt flood-plain management regulations to reduce the possibility of floods. Most local governments in potential flood areas qualify, but many homeowners may not be aware they need to buy the coverage. Your insurance agent or company can tell you whether your town qualifies. For a free booklet on flood insurance call the National Flood Insurance Program at **1-800-638-6620.**

There are more than 34,500 NFIP policies in force in Ohio and more than 278,000 structures worth $11 billion located in Ohio flood plain areas.

Buying Flood Insurance

Contact your agent or insurance company. Although flood insurance is a federal government program, private insurance companies sell the policies. If your community qualifies, flood insurance is available on almost any enclosed building and its contents, and ***you do not have to live in a flood plain to buy flood insurance.*** If your community has taken necessary steps to control flooding, you can insure a building for up to $250,000 and contents for as much as $100,000. Your home will be covered 30 days after your application and premium are received by the NFIP.

Earthquake Coverage

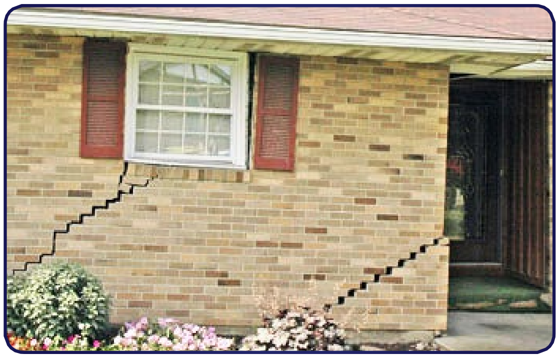
While there has been no major earthquake in Ohio for more than 100 years, there have been numerous small ones. Most companies sell earthquake endorsements and since the risk of a serious earthquake in Ohio is fairly low, coverage is relatively cheap. The deductible, however, is relatively high and typically ranges from two- to five-percent of your home's insured replacement cost. Brick or masonry homes are more likely to be damaged by an earthquake than a frame house, so if you own a brick home you will pay more for earthquake coverage. Without an earthquake endorsement, there is no coverage under your homeowner's policy.

Flood, Earthquake & Mine Subsidence Coverage

Mine Subsidence Coverage

Ohio has a fund to insure property that is in danger of sinking due to its proximity to an old coal mine. There are more than 4,000 abandoned coal mines in Ohio. All residential policies sold in mandatory coverage counties must protect against damage caused when an underground mine sinks (subsides).

The policy pays up to the home's insured value or $300,000, whichever is less, with you responsible for the deductible. The deductible is two percent of the insured value at a minimum of $250 and a maximum of $500. Contents, barns and other outbuildings are not covered.



Optional coverage for mine subsidence is available to residents of Delaware, Erie, Geauga, Lake, Licking, Medina, Ottawa, Portage, Preble, Summit, and Wayne Counties. Ohio counties with automatic coverage for mine subsidence and the number of old mines in each county include:

Athens	272	Monroe	1
Belmont	283	Morgan	28
Carroll	101	Muskingum	291
Columbiana	194	Noble	48
Coshocton	192	Perry	356
Gallia	86	Scioto	32
Guernsey	141	Stark	299
Harrison	73	Trumbull	24
Hocking	193	Tuscarawas	419
Holmes	34	Vinton	108
Jackson	212	Washington	17
Jefferson	281		
Lawrence	97		
Mahoning	82		
Meigs	137		

Other Insurance for Homeowners

Protecting Your Investment

Credit insurance protects you if you are unable to make your mortgage payments due to injury or death. It is usually available at the time you take out your loan. Credit insurance is optional, which means you don't have to purchase it from the lender. In fact, it's against the law for a lender to deceptively include credit insurance (or other optional products) in your loan without both your knowledge and permission.

There are two main types of credit insurance. Credit disability insurance, also known as accident and health insurance, makes payments on the loan if you become ill or injured and can't work. Credit life insurance pays off all or some of your loan if you die.

Credit Disability

A credit disability policy promises to pay your loan payment if you are unable to work because of illness or injury. Credit insurance policies spell out what has to happen before they start making your loan payments. Check the policy very carefully to make sure you understand what is covered and what is excluded. For example, coverage may be excluded for health problems you already have when you buy the policy (pre-existing conditions).

Credit Life

Credit life insurance is simply a term life policy written for the same amount as your loan. The amount of the policy decreases every year but premiums might not - so you may find it less expensive to buy a simple term life insurance policy rather than a credit life policy. You do not have to buy credit insurance, but if you choose to do so, you have the right to shop for the policy that best suits you. Banks often sell their customer lists to insurance companies or include credit life sales material in mortgage statements, so you are likely to receive offers for credit life insurance in conjunction with your loan.

Protecting the Lender

Title insurance

Title insurance protects the homeowner and lender against possible problems with the deed to a house - missing heirs, old mortgages or easements, etc. A homeowner's worst nightmare is that a stranger shows up years from now claiming to be the rightful owner of the house. If the stranger has a legal claim to the house, it is the title insurance company's financial responsibility to pay for the mistake.

But, the policy included in your closing costs probably protects only the lender. The title insurance company will pay the lender the balance of your mortgage and you will lose the title (plus any equity you have in your house), unless you also bought owner's title insurance.

Private Mortgage insurance (PMI)

If the down payment for your home was less than 20 percent, banks normally require you to buy Private Mortgage Insurance (PMI); premiums are built into your mortgage payments. PMI protects the lender if you default on the loan; PMI does not protect you.

With specific exceptions, after you have made enough mortgage payments to reach 22 percent equity in your home (based on the original property value) and your mortgage payments are current, the PMI premiums should be terminated automatically. However, you should follow up with your lender to confirm.

Shopping for Insurance

Wise Shoppers Look for More than Price

The process of choosing the proper policy for your home must take into account many important factors. The policy offered at the lowest cost may not offer the level of insurance protection you need. If you have been satisfied with your company's service in the past, it may not be wise to jump to an unknown company to save a few dollars. If you have not been satisfied with your company or if you are shopping for the first time, ask friends and relatives for references about the service they have received from companies they have used.

What Determines the Amount of Your Premium?

- **Type of construction:** frame houses usually cost more than brick
- **Age of house:** new homes may qualify for discounts
- **Local fire protection:** how far you live from a fire hydrant and fire station
- **Amount of protection:** the more you insure, the more you will pay
- **Deductible:** how much you agree to risk paying from your own pocket for each claim
- **Discount:** companies reduce prices for such things as insuring your home and car with the same company
- **Claims history and credit score:** some companies use factors such as previous claims filed and credit history

Picking a Company

Get a list of companies licensed to sell insurance in Ohio by visiting the Department's website www.insurance.ohio.gov or calling **1-800-686-1526** (the Ohio Department of Insurance does NOT recommend or rate insurance companies).

Private Rating Firms

Several private firms specialize in evaluating the finances and services of insurance companies. Each of these firms has its own methods and standards and grades a company based on the form's judgement of the financial well being of a company.

The phone numbers and website addresses below will connect you with some of the more well known rating firms. You may be charged for an insurance company report and be sure you understand the firm's grading system before you rely on any report. One firm might use "A+" as its highest grade, while another could go all the way up to "A+++."

A.M. Best Company
(908) 439-2200
www.ambest.com

Moody's Investor Service
(212) 553-0377
www.moodys.com

Fitch, Inc.
1-800-753-4824
www.fitchratings.com

Standards & Poor's
(212) 438-2000
www.standardandpoors.com

Many private firms that specialize in rating insurance companies also publish books on the subject. You may be able to find this information at your local library.

Insurance & Discrimination

Prohibited Discrimination

It is illegal for an insurance company to charge you more or refuse to insure your home because of your race, color, ancestry, religion, gender, handicap, national origin or because of the racial make-up of your neighborhood.

Red-lining

Insurance companies are sometimes accused of red-lining. The term comes from the idea that companies would draw a red line on a map around certain parts of town to mark places where they did not want to sell insurance. You should be suspicious of any agent who refuses to talk with you about insuring your home, or states, "We don't write insurance in this part of town."

Report it

If you think you have been the victim of any kind of illegal discrimination by an insurance agent or company, tell us by calling the Ohio Department of Insurance at 1-**800-686-1526** and ask for a Property and Casualty Analyst.

Legal Discrimination

Discrimination can be legal when it is based on such things as the condition of your home, how you use your home, how you have used insurance in the past or your financial condition. Underwriting standards are rules that insurance companies use to decide whether to insure your property. Every company has its own underwriting standards, but typical ones might include some of the things listed below:

- **The condition of your home:**
  - o Old wiring (fire hazard)
  - o Dilapidated roof (could result in a claim for water damage)
  - o Poor maintenance (broken windows, broken gutters)
- **Claims experience:** if you have filed numerous claims in the past, a company might not want to take the chance that you will file claims against it
- **Credit report:** if your credit report suggests you do not pay your bills on time, the company might not want to take the chance that you will treat them the same way
- **Recent bankruptcy:** if you have recently filed bankruptcy, it will be even harder to buy insurance for your home
- **Dangerous pets:** if you have a pet that has attacked someone or qualifies as "vicious", do not be surprised if an insurance company rejects your application (See page 15 for additional language).

When a Company Goes out of Business: Ohio Guaranty Association

Every company that sells property insurance must belong to the Ohio Guaranty Association (OGA). The OGA offers you protection in the event an insurance company goes bankrupt or goes out of business. If a company is financially unable to pay claims, the state in which it is based will liquidate it and use the company's assets to pay claims and other debts. The OGA collects money from all of its member companies to cover the liquidated company's claims and will pay up to a total of $300,000 to cover outstanding claims, depending on the amount of money available from the liquidated company's assets.

Cancellation, Non-Renewal

Cancellation

Your policy goes into detail about which conditions may cause your insurance to be cancelled. However, the company must send you written notice at least 30 days before the cancellation date and that notice must explain procedures for applying to the Ohio FAIR Plan.

You are not entitled to a 30-day notice if the company cancels because of your failure to pay the premium, evidence of arson, misrepresentation or fraud.

The insurance company can cancel your homeowners policy if you file too many claims. You are highly likely to lose coverage if you are a habitual claimant, particularly if your claims are small. If you have two to three claims within five years, the insurance company may choose to cancel or not renew your policy.

Non-Renewal

Each year insurance companies have the statutory right to decide whether or not to renew your policy for the next year. If the company does not renew your policy, they must notify you of their decision 30 days in advance of the policy expiring and must explain procedures for applying to the Ohio FAIR Plan. You will then have to find coverage elsewhere.

Ohio FAIR Plan

If you cannot find insurance coverage for your home, you can apply through the Ohio FAIR Plan Underwriting Association. The State of Ohio created the Ohio FAIR Plan to insure property that insurance companies will not cover. Important points to remember about the FAIR Plan:

- You do not have a guaranteed right to buy FAIR Plan coverage. The FAIR Plan will inspect your house to determine whether you are eligible
- Every company selling property insurance in Ohio helps fund the FAIR Plan
- Coverage in the FAIR Plan is likely to cost substantially more than through the standard insurance marketplace so be sure to exhaustively search before resorting to the FAIR Plan

You can apply to the FAIR Plan through any insurance agent who sells property insurance. Or you can call the FAIR Plan directly at **1-800-282-1772.**

Credit Scoring & C.L.U.E Report

Statistically, people who have a poor insurance credit score are more likely to file a claim. Insurers use this information when determining the risk someone may pose. Studies reveal that the manner in which a person manages his or her finances is a strong predictor of loss potential. Insurance scores are used to help insurers differentiate between lower and higher insurance risks and they then can set a premium based on the risk they are assuming.

Information regarding your credit history, such as your bill-paying habits, the number and the types of accounts in your name, collection actions, outstanding debt, and the age of your accounts, is used to determine if you are a responsible borrower.

C.L.U.E. Report

A Comprehensive Loss Underwriting Exchange or C.L.U.E. report is an all-inclusive database of personal property information primarily consisting of insurance claims on private property.

C.L.U.E. reports are only available to an individual for the home or property they own and reside in. The reports are available from ChoicePoint over the web at **www.choicetrust.com** or through regular mail. Someone who has been the subject of adverse action based on the information in the report is entitled to a free copy of the report if it is requested within 60 days of the adverse action. Adverse action can include denial of coverage or an increase in rates. Insurers must notify consumers when adverse actions have occurred.

How to Handle Claims

What should I do when I have a claim?

- Review your policy to make sure you know what is covered
- Notify your agent or the insurance company immediately
- Keep damaged property until the company says you can dispose of it, and get that permission in writing
- If your home is damaged, make needed temporary repairs to protect it from more damage and keep the receipts
- Keep receipts for emergency expenses (things such as repairs and temporary housing)
- Complete the company's claim form
- Cooperate with the claims adjuster's requests for documentation or to conduct damage inspection
- Negotiate the final settlement with the adjuster

Credit Scoring

Inside the insurance company the adjuster is your first stop. Adjusters evaluate damage and make settlement offers. An adjuster may be an employee of the insurance company or an independent adjuster hired by the company.

If you are not satisfied with the company's handling of your claim, contact the Ohio Department of Insurance Consumer Services Division at **1-800-686-1526** for information about your insurance rights and how to file a complaint. Written complaints are investigated to determine whether the company and agent have acted improperly. The Ohio Department of Insurance cannot settle factual disputes over arguments such as the value of your damaged property.

Your county small claims court may be able to settle disputes involving $3,000 or less — you do not need a lawyer to go to this court. Or, you have the option of consulting an attorney about your legal rights and remedies. The Department of Insurance does not give legal advice.

Take These Steps to Resolve Disputes

When It Is a Dispute about Amounts

Claim disputes over homeowners insurance are often about the value of lost or damaged property. The insurance company must first agree that there is damage. Policies usually have a standard provision to settle disputes of this kind. Here is how this process may work under your policy terms:

Appraisal

- Either you or the company can make a written demand to have the amount of loss set by appraisal
- Upon that demand you and the company each hire an independent appraiser
- The two appraisers determine the amount of loss
- If they agree on an amount, a written report is submitted and the amount agreed upon is set as the amount of loss

If the appraisers cannot agree

- If the appraisers fail to agree, they select an independent arbitrator
- If they cannot agree on an arbitrator, you or the company can ask a judge of the court to appoint one
- A written agreement signed by two of these three people (the two appraisers and the arbitrator) sets the amount of loss

Who pays what

- You pay the appraiser you select and the company pays the appraiser it selects
- You and the company split any costs for other appraisal expenses and the arbitrator's fee

Answers to Common Questions

Can I obtain a copy of my C.L.U.E. report?

Yes, you can get a copy from ChoicePoint if the company uses credit scoring to reject your application for insurance or increase your rates.

How should I keep track of my personal property?

- Make an inventory of all household items
- Keep receipts for appliances, cameras, computers and other valuables
- It helps to have pictures or videotape of personal belongings and the property
- Put the lists and pictures in a safe place, away from your house

Should I hire a public adjuster?

Public adjusters will charge a fee to help you negotiate with the insurance company. You may find a public adjuster helpful with complicated claims.

My daughter is away at college. Is she still covered?

Yes. Her personal property is covered up to 10 percent of the personal property limit. She also has full liability coverage. A cautionary note – check the age limit of your policy for covered dependents – most policies have an age limit at which there is no longer coverage for dependent children.

What protects me if my dog bites someone?

- Your homeowners policy MedPay coverage would pay the doctor bills
- If the victim sues, the insurance company will represent you and pay damages up to the policy limit
- However, the company might amend your policy to exclude future dog bites - or even cancel the policy
- Be aware: if you own a "vicious" dog (as defined by Ohio law), you are required to carry at least $100,000 liability coverage on your homeowner policy

Can a company use my credit score information to increase my rates?

Probably, but it cannot be the sole criterion to determine a rate increase.

Answers to Common Questions

How can I reduce my premium?

The simplest way to lower your rate is to increase the deductible, but be sure it is a level you can afford in the event of a loss. You may also qualify for discounts for such things as home alarm systems, insuring both your home and car with the same company, insuring a new house and / or having a history of not filing claims.

What should I do if my property is damaged due to a storm?

- Call your insurance company as soon as you can
- Try and protect your property and salvage what you can
- Closely inspect property for damage and photograph any damage and losses as this will assist in settling claims
- Be sure your agent knows how to contact you if you can't stay in your home
- If required to seek temporary housing, check your policy for **loss of use** coverage
- Many policies cover such expenses up to a stated amount
- Do not make a hasty settlement and if possible, seek assistance from a third party
- Make sure everything is considered in your claim. Back-up claims with written estimates
- Carefully check the background of contractors and others who promise "cheap" repairs
- Don't pay the entire cost of repairs up-front, and try to only do business with local, established contractors
- Before signing any contract, read the entire document, and contact your local Better Business Bureau® or the Ohio Attorney General's Office to see if the company has a good customer service record

For questions regarding discrimination, cancellation, non-renewal and accessing the Ohio FAIR Plan, please refer to page 13 of this guide. Page 15 of this guide helps you navigate filing a complaint with the Ohio Department of Insurance if you think an agent or company has treated you unlawfully.

Glossary

Actual Cash Value – The amount a damaged or stolen item was actually worth at the time of the loss. The formula for Actual Cash Value (ACV) is replacement cost of the item minus depreciation.

Adjuster – An adjuster is a representative of the insurance company. An adjuster is responsible for investigating claims and makes estimates for settling claims.

Appraisal – The valuation of your property determined by an authorized expert.

Claim – When a policyholder inquires about or seeks compensation or payment under a policy due to an event that triggers coverage.

Deductible – The part of a loss that you are responsible for paying according to the terms of your policy.

Depreciation – A decrease or loss in value over time, due to age, usage and deterioration.

Endorsement – Amendment to a policy used to add, change or delete coverage.

Exclusion – Specific instances or circumstances not covered.

Fraud – Filing a false claim in order to collect money not entitled to the claimant or providing false information in an application for insurance.

Loss – The event or occurrence of damage or injuries.

Offer – The amount the insurance company proposes to pay you for a loss.

Peril – A covered event (fire, vandalism, etc.) causing damage to your property.

Public Adjuster – A person you can hire to help settle a claim with an insurance company. A public adjuster may be hired to handle a complex or difficult loss negotiation.

Replacement Cost – A determination of the cost to replace contents, rebuild your home or repair damages with materials of like kind and quality at today's prices, without subtracting for depreciation or obsolescence.

Settlement – The amount you are paid by the insurance company as payment for your loss.

Contact ODI

To request consumer publications
or ask questions about insurance, please call the
Ohio Department of Insurance consumer lines:

Medicare issues 1-800-686-1578
Other types of insurance 1-800-686-1526
Fax . . . . (614) 644-3744

TDD/TTY phone users, please call Ohio Relay Service 9+711

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November 2013

ODI
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of Insurance

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