Home Owners Policy and Coverage

The Home Owners Policy

Basic Policy Coverage's A-F (Definitions and Explanations of Coverage's)

Dwelling (Coverage A):

Definition: Your home and structures attached, such as an attached garage.

This amount shown on your policy is the base amount your dwelling (by definition above) is covered for. Base amount because your home will also have an extended replacement cost coverage of 125%,150%, or 200% depending on the insurance company. Giving your home an extra 25, 50, or 100% on top of the dwelling coverage while complying with Nevada's Co-insurance Law's.

Other Structures (Coverage B):

Definition: Structures on your property that are not attached to you dwelling, such as a detached garage, gazebo, or storage shed (swimming pools are not covered)

The amount of coverage your other structures are covered for is based on a percentage of your dwelling coverage amount. Every company Family First is appointed with differs on this amount from 10%-60% of your dwelling amount.

Example: The dwelling (A) coverage on your home is insured for $100,000. The company you are insured through uses a 40% factor to figure the amount of coverage they will provide for Other Structures (Coverage B) In this specific example the Other Structures coverage (B) would be covered for $40,000

100,000 (Dwelling (A) Coverage) x 40% (Coverage (B) Factor) = $40,000

Personal Property (Coverage C):

Definition: Your personal property such as furniture, clothes, and appliances that are not attached permanently to your home (items attached to your home are covered in dwelling (A) coverage). This includes personal property located off the property such as property at a secondary residence, luggage while on vacation, and personal property being transported in your automobile as noted in your policies documentation of coverage's.

The personal property (Coverage (C)) is also percentage based off the coverage amount of dwelling (A) coverage. Each company differs on this percentage but most range from 50% to 90% of your dwelling (A) coverage to calculate your covered personal property (Coverage C) amount. For example your home (dwelling) is covered for 100,000 dollars. The insurer your home has coverage with uses a 75% factor of the dwelling (A) coverage to determine your final figure.

$100,000 (Dwelling (A) coverage amount) x 75% (Personal Property) = $75,000

Personal Property value can be determined based on two methods. These two methods listed below will determine the amount of money you will receive for each item. Family First only uses replacement cost value. Replacement Cost Value (RCV): The amount it would cost to replace your personal property at today's value with no deduction for depreciation. Actual Cash Value (ACV): The property value as originally purchased is depreciated based on wear or age of the property and the value is determined based upon the resulting value.

Loss of Use (Coverage D):

Definition: In the case of a total loss or any loss that makes your home temporarily uninhabitable that is covered under your dwelling (A) coverage. Loss of use will pay for alternative housing and living expenses during a 12 month period while your home is being re-built or repaired.

Every insurer handles this coverage differently. Some have a set dollar amount over a 12 month period to be divided by a monthly amount. They may also use a percentage based figure as shown in other structures above.

Example (**Set Amount/12 month period**): In this example a figure of $40,000 dollar set amount for Loss of Use (Coverage D). They will take 40,000 and divide it by 12 months (40,000/12 =$3,333) They do it this way to determine an amount you will receive monthly because every home loss situation is different. Meaning a home with a total loss make take 8 months to rebuild, while a home with a partial loss may only take 2 months to repair. Your policy would pay out $3,333 monthly in each situation. Meaning the home that only took 2 months to repair would have received 2 monthly payments of $3,333 and the home that took 8 months to rebuild would have received 8 monthly payments of $3,333.

Personal Liability (Coverage E):

Definition: Provides coverage for bodily injury or property damage that you are legally responsible for due to accidental occurrences.

Examples: Your dog bites another person, a guest injures themselves on your property (Does not cover you or any other individual living on the premises), or your child causes accidental damage to a neighbor's property.

Limits of personal liability are generally 100k, 300k, and 500k. Family First will not insure our clients for anything less than 300k. The insurance company will go to court and defend you if any of these covered situations occur, and will payout up to your limits amount.

Medical Payments (Coverage F):

Definition: Pays all reasonable and necessary medical expenses for a period of three years from the date of the accident to a person or persons injured while on your property.

This coverage does not apply to the policy holder or any residents living in the dwelling.

Other Home Owner's Policies Optional Coverage's and Definitions:

Deductible: This is the amount the insured's are responsible to pay when a claim is presented on Coverage's A,B, or C. Typical deductible's are $500, $1,000, and $2,500. The high your deductible the less your policy premium will be.

Personal Property: Special Limit coverage's

Every policy has a specific amount (**Special Limits**) for items like firearms furs, watches, and jewelry (Typically $2,500) This is the amount they will cover these items for regardless of there actual value.

When you have a situation where your jewelry (lets use a wedding ring for example) is worth well over the policies limit of $2,500 in worth we now have to look at **Scheduled Personal Property.**

Personal Property: Scheduled Personal Property

When you have an item (we are using a wedding ring for this example) that is worth well over your special limits set out in the policy for that specific item you need to take steps to have that specific item added to the scheduled personal property portion of your policy.

In this example you would get the wedding ring appraised and send the appraisal to the insurance company. At this point the insurance company will determine the coverage and pricing for that specific item, and add the cost of coverage to your overall policy premium. Now your wedding ring that is worth 8,000 (example) is covered for that replacement amount instead of the $2,500 special limit that is included in your policy at no additional cost.