

How often should I review my policy?

There are four events that should trigger a review of your policy:

1. When your policy comes up for renewal

Don't just automatically send a check to your insurance company. Take the time to review your coverage and call your agent with any questions or concerns that you may have regarding your homeowners insurance. Ask yourself the following questions:

- Has the company made any changes in coverage since last year?
- Does my policy now include a separate deductible for risks like hurricane or hail?
- Should I raise the deductible to save money?
- Am I taking advantage of all available discounts?
- Do I need to raise the amount of coverage for liability, personal possessions or the structure?
- Should I comparison shop for a cheaper rate?
- Do I need flood, earthquake or an umbrella policy?

2. Major purchases or alterations/improvements to your home

If you have made any major purchases, make sure that you have the proper coverage. And, don't forget about gifts. If you have received a diamond engagement ring or if a member of your family has bought you expensive artwork or a computer, talk to your agent about either increasing the amount of insurance you have for your personal possessions or purchasing a floater/endorsement for these items. A floater will give you higher and broader coverage for these items than you have under your homeowners policy.

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 report the increase in square footage to your insurance company. Don't forget about new structures outside of your home. If you have built a gazebo, a new shed for your tools or installed a pool or hot tub, you need to speak to your agent. Keep receipts and records in case you need to forward copies to your company.

3. You have made your home safer

If you have installed a state-of-the-art fire/burglar alarm system or upgraded your heating, plumbing or electrical system, make sure that your insurance company knows about these improvements. You may qualify for a discount.

4. Major lifestyle changes

Marriage, divorce, or adult children who move back into the

family home, can all affect your homeowners insurance. When people move in or move out, they take their belongings with them. And you may need additional coverage if there is a sizable increase in the value of the belongings in your home.

Starting a home-based business can also trigger changes in your coverage. You will need to get additional coverage for business liability and equipment. If the business is your primary source of income, you may need a Businessowners Package Policy (BOP). You may also need professional liability coverage, which is excluded under in-home business and businessowners policies. For more information, see [Business Insurance](#).

Source: *Insurance Information Institute, Inc. (www.iii.org)*