

Step-by-Step Guide to Reviewing Your Insurance Policy



Don't Get Caught Off Guard: Know What Your Policy Covers (and What It Doesn't)

Whether it's a flood, fire, or other unexpected event, insurance is supposed to be your safety net. But too often, we don't find out what's *not* covered until it's too late. Let's change that!

Use this guide to walk through your **homeowners, renters, or auto insurance** policy and make sure your coverage is up to date and disaster-ready.

Step 1: Gather Your Policies

- Locate your **homeowners, renters, auto, and, if you have them, flood, earthquake, and windstorm insurance** policies.
- If you don't have physical copies, log in to your insurer's online portal or call and request them.

- Mold or gradual water damage
- Business property or equipment
- Windstorm damage in certain coastal communities

Check your "Exclusions" section — this lists what's not included in your coverage.

Step 2: Look at the Coverage Types

Review each policy and look for:

- **Dwelling Coverage (for homeowners)** – Does it cover the full replacement cost of your home?
- **Personal Property Coverage** – Is the amount enough to replace your belongings? Do you have any valuables that might need a special "endorsement"? Many homeowners insurance policies will not cover the full cost of expensive items such as jewelry without a detailed schedule of items.
- **Liability Coverage** – How much does it cover in case someone is injured on your property?
- **Additional Living Expenses** – Will it pay for hotel/rent if your home is unlivable after a disaster?

Step 4: Check for Flood or Disaster Protection

- If you live in *any* flood-prone area (even outside FEMA flood zones), strongly consider **flood insurance** through the National Flood Insurance Program (NFIP) or a private insurer.
- Earthquakes aren't just limited to California; know your earthquake risk and ask your insurer about getting covered for a quake.
- If you live on the Gulf or Atlantic coasts and you have trouble adding coverage for hurricanes, your state might have a Windstorm or Beach Plan that will provide coverage.

Step 3: Know What's Not Covered

Most standard policies do NOT include:

- Flood damage
- Earthquakes

Step 5: Understand Your Deductibles

- A **deductible** is the amount you pay out of pocket before your insurance kicks in.
- Make sure you can afford the deductible amount in case you need to file a claim.

Step 6: Replacement Cost vs. Actual Cash Value

- **Replacement Cost:** Covers what it costs

to buy a new item at today's price.

- **Actual Cash Value:** Pays what the item is worth today, *minus depreciation*.
- When insuring your home, replacement cost is usually the safer option.

Step 7: Reassess Your Coverage Needs

- Have you made home upgrades, gotten new furniture, or added valuable electronics?
- Do a quick inventory and update your policy if needed to reflect the true value of your possessions.

Step 8: Shop Around (or Ask About Discounts)

- Compare rates from at least **two other insurers** to make sure you're not overpaying.
- Ask your current insurer about:
 - **Bundling** discounts (home + auto)
 - **Security system** discounts
 - **Loyalty or safe driver** discounts
 - **A list of all other discounts** they offer
- Don't let your insurance lapse. If you do your lender will charge you for insurance anyway, but that policy only protects the bank.

Step 9: Keep a Claims Checklist Handy

Create a mini emergency checklist:

- Policy number
- Insurance company contact info
- Photos of high-value items
- A simple home inventory list
- Once a year, use your phone's camera (or borrow one) to do a video tour of your house. Narrate the video with descriptions of your possessions. Upload the video to the cloud or copy it to a thumb drive and store it somewhere outside of your home (such as a family member's house).

Next Steps

- Reviewed your policy? Check!
- Need to make updates? Contact your agent.
- Still have questions? Reach out to your local agent or state's Department of Insurance.

Reviewing your insurance is a powerful way to protect your savings. Emergencies are stressful enough — don't let surprise gaps in coverage add to the chaos.

