

Colorado Home Insurance Check UP: Questions to Ask Your Agent/Broker

Be proactive when buying or renewing your home insurance. Here are questions to ask your insurance agent to make sure your home insurance is up to date:

1. Will this policy be adequate if I have a total loss? Will it cover the cost of rebuilding my home to its pre-loss condition, including demolition, debris removal, and replacement of the foundation and roof to current building code standards?

2. How much insurance per square foot will this policy provide? The amount you need relates to your specific home's size, style of construction and features. Per square foot home construction costs range from \$300 to as high as \$650. The software that insurers and their sales people use to set your dwelling limits tend to generate numbers that are unrealistically low, especially after disasters when materials and labor prices jump due to high demand.

3. Does this insurance policy cover all the members of my household? Does anyone need to be added as an additional named insurer? Does anyone need to be removed?

4. What causes of loss are NOT covered? What about Flood, Landslide, Earthquake, Hail, HOA Loss Assessment?

5. What discounts do you offer and how do I qualify for them? Senior, Multi-line, Club Membership, Mitigation, Impact Resistant Materials, Monitored Alarm System?

6. What items are subject to special limits or exclusions? Can I add scheduled coverage for my unique or special items? (electronics, piano, jewelry, fine art, oriental rugs, wine, collectibles)

7. Are there endorsements or riders or additional policies that I should add to be fully protected? Do I need a “water/sewer backup” rider, or “special loss assessment” coverage?

8. What are the potential costs/savings of changing my deductibles? Is there more than one deductible in the policy? Is the deductible waived if there is a large loss?

9. Is my Contents/Personal Property covered for Replacement or Actual Cash Value? If replacement value is not included, what would it cost to add this coverage?

10. Is my roof covered for Replacement or Actual Cash Value? Is there wording that limits coverage related to the age or type of roof, or for cosmetic damage or for restoring the roof to a uniform and consistent appearance?

11. What are my options for insuring my home-based business property and operations?

12. Is there a limit on coverage for my additional living expenses while my home is being repaired or rebuilt after a loss? Is there a total dollar cap, time limit, or both on this coverage? What is my premium cost to increase the coverage to two years of Additional Living Expense / Loss of Use coverage? (Colorado law requires insurers to offer 24 months of coverage, 12 months is mandatory).

13. If someone sues me, will my liability coverage pay for my legal fees? Is my Coverage E (Personal Liability) limit enough to protect my assets and future income without gaps in coverage?

14. What does umbrella coverage cost? Umbrella coverage gives you additional protection for your personal assets in the event of a lawsuit or liability claim.

15. Does this policy include an extended coverage endorsement, rider or other formula that increases the dwelling benefits to cover repair or rebuild costs that exceed the stated dwelling limit? 2/3 of disaster-impacted homeowners find their dwellings underinsured, so this type of coverage extension is very important.

16. Will my insurance cover the cost of building codes upgrades if I have to make repairs or rebuild my home? Be sure to ask about the “Building Code/Law Upgrade” endorsement. Is this a percentage or a dollar limit?

17. Are there limits in this policy on replacing property if materials need to be matched or if damage is considered cosmetic only? Does this policy cover “equivalent construction” or “like kind and quality” repairs/rebuilding? Does this policy limit or exclude payment for non-structural/cosmetic damage? Does this policy cover replacing undamaged siding or roofing materials in the event that

they're no longer available and must be replaced to restore the property to a uniform and consistent appearance?