

**Question:** As a result of a rain and hail storm, we have a hole in our roof. If I get the roof patched before the insurance adjuster comes to see it, will the insurance company still pay for the actual repair of the roof?

**Answer:** Yes. It is your responsibility to protect the roof from further damage until the insurance adjuster can determine the extent of the loss. In order to get reimbursed for these expenses, you should keep receipts to submit to the insurance company.

**Question:** I recently installed smoke alarms on all levels of my home. Am I entitled to a discount on my homeowners policy?

**Answer:** Most insurance carriers offer discounts for several features, one of which may include smoke alarms. The amount of the reduction varies from company to company. You may be able to get an insurance discount and have a safe home for your family as well.

**Question:** My insurance company is not renewing my homeowners policy. What can I do?

**Answer:** First, contact a representative of the Commissioner's Consumer Services Division to ascertain if the non-renewal meets statutory requirements and if the action can be rescinded. If the termination is legal and Consumer Services is unable to help, there are many insurance carriers who are aggressively writing homeowners insurance. If you can't find homeowners

insurance at first, keep looking. If one insurance carrier can't place you, it doesn't mean that another insurance company can't. Consider taking a higher deductible. If you still can't get coverage, contact the Georgia Fair Plan at (770) 923-7431. The Fair Plan is an association of Georgia licensed insurers authorized by the code to maintain fair access to insurance.

**Question:** During a storm, water rose to a level high enough to damage the carpet in my home. I learned that damage is not covered under my homeowner's policy. Where can I get flood insurance?

**Answer:** If your local government participates in the Federal Flood Program, you can request a special flood policy. Call 800-427-4661 for more information.

**Question:** My washing machine overflowed. Will my homeowners policy cover the damage?

**Answer:** Yes. Water damage from overflowing washing machines and dishwashers normally will be covered by homeowner's policy.



## IMPORTANT NUMBERS

Consumer Services 404-656-2070  
Toll-Free 800-656-2298  
Arson Hotline 800-282-5804  
Fraud Hotline 800-656-2298

[www.oci.ga.gov](http://www.oci.ga.gov)

Email: [consumer@oci.ga.gov](mailto:consumer@oci.ga.gov)



*Insurance Commissioner Ralph T. Hudgens' Consumer Services Division is available Monday through Friday, 8 a.m. until 7 p.m. to assist you with your insurance questions and concerns.*



## CONSUMER GUIDE FOR HOMEOWNERS INSURANCE

**RALPH T. HUDGENS  
INSURANCE COMMISSIONER**

[www.oci.ga.gov](http://www.oci.ga.gov)

### **What Is Homeowners Insurance?**

Homeowners insurance is coverage for your home, contents, and your personal liability. A homeowner's policy usually covers: (1) Property damage to your home and other detached buildings; (2) Contents and personal belongings; (3) Reimbursements for your additional cost to live at another place if your home is damaged and uninhabitable; (4) Personal liability to protect you from a claim or lawsuit if you are responsible for injuries to others or damage to their property.

### **What Is Usually Not Covered?**

Most homeowners policies will not cover vehicles or vehicle stereo equipment, or losses from natural disaster such as flooding, earthquakes or nuclear accidents. You can usually buy coverage for these things in a separate policy.

### **What Is The Difference Between Actual Cost Coverage And Replacement Cost Coverage?**

Most standard homeowner's policies provide replacement cost coverage for your dwelling up to the policy limit. Your contents and personal belongings are settled at their actual cash value at the time of the loss. This is replacement cost less deduction for depreciation. Some policies will offer replacement cost coverage which will repair or replace personal

property at current prices with no reduction for depreciation. You can usually upgrade your policy to replacement cost coverage for an additional charge. A current inventory of your personal belongings, stored in a safe place, will help you in establishing what property was destroyed and its value if you have a claim.

### **Homeowners Insurance**

**Question:** If my house is damaged by a disaster, will my homeowners insurance cover my house?

**Answer:** To properly insure your house, find out the current value of the house. It's generally best to insure it at the full cost to rebuild. Any damage caused by wind is normally covered under a standard homeowner's policy. If you choose to insure your home for less than 80% of its replacement value, you may not receive the full value of your claim.

**Question:** If my home is destroyed by a disaster, would my homeowner's policy cover my furniture and belongings?

**Answer:** Yes. However, if you want to protect the contents of your home at full value, you must secure replacement cost coverage. Inventorying your property prior to loss is strongly suggested. Using photographs and a videotape can be helpful. If you have any unique items, you may choose to insure these items specifically. Policies will normally cover contents at their actual cash value, however, most companies have a replacement cost option. Theft following a disaster will impose

low monetary limits on money, jewelry, furs, silverware, guns, etc. Higher limits may be warranted.

**Question:** I rent my apartment. Is it necessary to have renter's insurance? Will this kind of insurance cover the structure?

**Answer:** You should consider purchasing a renter's policy which will cover the contents of your apartment. If you have valuable items such as jewelry, antiques or artwork, it may be advisable to have these items scheduled separately. A renter's policy does not insure the structure of the unit. Insurance for the structure of the rental building is generally carried by the owner of the building.

**Question:** I am shopping for a house. What do I need to know about homeowner's insurance before I buy?

**Answer:** There are two parts to a typical homeowner's policy: Property coverage protects the home and contents plus losses for additional living expenses. Liability coverage protects you from lawsuits. The amount of home coverage should be at least 80% of the replacement cost of your home. Coverage of the contents of your home is usually an amount equal to at least half of the structure coverage. To make filing a claim easier, you should keep an inventory of your possessions.

If you own rare or expensive items, consider purchasing special contents coverage in larger than standard amounts or a separate policy specifically covering those items.

**Question:** We advised our neighbors that a dead tree in their yard could cause serious damage to our property if it fell in our yard. They ignored our warning. Whose insurance would have to pay for damage to property?

**Answer:** These circumstance reflect probable negligence by your neighbors, and you may be covered by their homeowner's policy. To obtain a quick settlement, you can file a claim with your homeowner's company if the tree fell as a result of a covered risk. Your insurance company should ultimately collect for the damages, including your deductible, from your neighbor's carrier.

**Question:** If a tornado damages our home to the point that we cannot live there safely, will our homeowner's policy cover staying at a hotel?

**Answer:** Many homeowners policies have provisions to pay a reasonable increase in living expenses which are necessary to maintain the insured's normal standard of living. It is important to check your policy to find out if you have this coverage. If you do, you also need to find out what amount your policy will pay.

