

Do You Need Disaster Insurance For Your Home?

Your home is your greatest investment, and your family your greatest priority; making sure they are both protected should a natural disaster hit your home is important in keeping your loved ones and your home safe. While some home insurance policies may cover natural disaster, ensuring that you are fully covered for all possible occurrences is essential to your peace of mind. Here are a few things to consider when determining if your home and family are protected, and how to determine what type of disaster insurance you need.

What Does Your Current Policy Cover?

Many homeowners are surprised to discover that their current home insurance policies do not cover natural disasters. There are some comprehensive home insurance policies that do cover occurrences such as flood and earthquake, but if you have a basic policy, odds are you are not covered. Separate disaster insurance can be costly, but in general there are three considerations to take into account when deciding whether disaster insurance is right for you-location, financial situation, and comfort level with the risk.

Location-Depending on where you live, there may be a large or a small chance of encountering any particular type of natural disaster. If you live in the Midwest you may not need to worry about earthquakes, but you may want to consider covering your home for tornado damage. Most areas of the country are at risk for some type of natural disaster, and covering your home for that particular type of disaster is a good idea.

Financial Situation-In most cases there are larger deductibles for disaster insurance, but considering the potential damage that a natural disaster can cause, what may seem like a high deductible can quickly be put into perspective when your entire home is destroyed.

Comfort With Risk-The actual chance that your home may be affected by any particular natural disaster may be rather low, but assessing the actual risk and whether you would be able to handle the worst, should it happen, is an important issue for your peace of mind. The point of insurance is really to create a more stress-free life, and if the risk associated with damage due to a natural disaster is high then insurance may definitely be worth the price.

Overall, determining whether you need disaster insurance will depend on a number of variables, and seeking the advice of an insurance expert can help make the decision easier and stress free.