

How Much Home Insurance Do I Really Need?

Home insurance is an essential part of home ownership and is a cost usually considered as part of the regular maintenance and protection of your home. In most places it is also required by your mortgage lender, but how much home insurance do you really need? The minimum coverage may suit some homeowners, but most need additional types of coverage that the minimum policies do not include. So what are the types of coverage home insurance policies typically provide, and how do you determine how much home insurance you really need?

Do I Need Disaster Insurance?

While disaster insurance that covers natural occurrences such as floods, earthquakes, and hurricanes can be expensive, if you live in an area where these types of events occur frequently the cost of replacing your home will certainly far exceed the cost of the insurance. In the case of disaster insurance it is a matter of balancing risk, financial situation, and peace of mind.

Do I Need Additional Content Insurance?

While most basic homeowner's policies include content coverage, the amount of this coverage and the cost of the deductible may not be appropriate for your particular situation. If you have a number of valuables, such as jewelry or rare items such as antiques, your basic coverage will not protect these in case of theft or damage. On the other hand, if you have few belongings, choosing a policy with a high deductible to save money may not be worth it, as the value of your items may not be much more than the deductible itself.

Do I Need Theft Protection?

Again, most basic home insurance plans do not offer extensive coverage for loss from theft or damage due to a break-in. If having the peace of mind that comes with this kind of protection is important to you, then this additional coverage will definitely be worth the cost.

Do I Need Liability Coverage?

If you have a home-based business or own a condo, having homeowner's liability insurance is important. If a client had an accident on your property or your negligence caused damage to a fellow condo owner's property, liability coverage would protect you from the potential costs associated with this, including legal costs.

Seeking the professional advice an insurance expert can help you determine how much home insurance you really need.