

What Most Homeowner's Insurance Doesn't Cover

Your homeowner's insurance protects you from what are known as perils—the things that might cause damage or loss. A good homeowner's policy is set up to provide coverage for the most likely perils that affect homeowners, such as fire, theft, and vandalism. However, there are some perils that are specifically excluded from the average homeowner's policy, and depending on where you live, these exclusions could be serious.

Earthquake Coverage

Most homeowner's policies do not provide coverage for damage caused by an earthquake. If you live in an area where earthquakes are common and a serious earthquake is a real risk, you should consider taking out a separate earthquake insurance policy. Your homeowner's insurance agent can point you in the right direction.

Flood And Water Damage

Water damage is a tricky area when it comes to homeowner's insurance. Some types are covered, while others are not. The most commonly excluded type of water damage is from a flood. This usually means a natural flood, from rain or rising water. For anyone who lives near a river or other body of water where flooding is a possibility, flood insurance is a good idea.

Water damage that is caused by negligence is also usually excluded. If you knew your pipes were leaking and did nothing to repair them, the resulting water damage will likely be excluded and not covered. On the other hand, if a pipe suddenly bursts with no forewarning, your homeowner's insurance should kick in and take care of the damage. It's best to verify these grey areas with your insurance company or agent.

Mold Exclusions

Many insurance companies do not provide coverage for mold, because it is considered to be the result of negligence. This is another grey area where some types of mold may be covered and others may not. Again, this is a good one to discuss with your insurance company.

Maintenance Issues

Homeowner's insurance is there to get you back to normal after a loss or damage. It doesn't provide you with free maintenance on your home! Any damage to your home caused by your failure to properly maintain it will not be covered by homeowner's. Thus, roof repair for wind damage is covered, but a roof that has simply gotten old will not be. If that were the case, homeowner's insurance would be very expensive indeed, with everyone getting repairs done to their home every time something wore out!

It's important to know what your policy covers and doesn't cover, so that you are not stuck paying big bills for a catastrophic event. Ask your agent or read your policy, and obtain extra coverage when you can.