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# Why the Carrier Matters

By Mandy Wright

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When purchasing home insurance, many people assume there isn't much difference from one carrier to another. For many, the primary determining factor when looking for insurance is cost. For others, it might be a long standing relationship with their insurance agent. While pricing and relationships are important, there are many other factors to consider when insuring your home.

Two common misconceptions are that: 1) all insurance companies know how much insurance you need to rebuild your home and 2) the insurance company has a responsibility to insure your home properly so that you are not left with out-of-pocket expenses after a devastating loss. Most people, then, are shocked to learn that this not the case at all! In fact, most carriers have language in the fine print of their contract that says it's the duty of the homeowner to know how much insurance coverage they need, thus absolving the insurance company of any liability should you find that your home policy does not provide enough coverage to rebuild your home after a catastrophic loss.



Most people don't realize that the majority of home insurance policies require that you rebuild your home after a total loss. What's more, in the event of a major disaster where multiple homes are lost, such as a wild fire, the cost to rebuild will likely skyrocket as the demand for contractors will exceed the number of contractors available in that area to rebuild homes or repair the fire damage. Couple this reality with the insurance company disavowing any ownership of the coverage limit and you may find you do not have enough insurance coverage to rebuild your home yet are contractually required to do so.

Luckily, not all policies work this way and securing insurance to suite your specific concerns doesn't always mean higher premiums. Let me explain.

Sophisticated insurance carriers, which can only be accessed through a select number of brokers, conduct a property inspection, generating a detailed report explaining what they think the cost to rebuild your home should be. These carriers also offer either guaranteed replacement cost coverage, - meaning they guarantee to rebuild your home regardless of the cost - generous extended replacement cost coverage with full rebuild up to double the insured homeowners policy amount, or a cash out option where they will write you a check for the dwelling, other structures and contents coverage limits on the homeowners policy. This approach all

but eliminates your risk of being underinsured.

Sophisticated carriers can be more expensive but we can usually increase your deductible and maximize multi-policy credits to offset the additional cost, providing you much broader coverage while keeping your premiums at a rate with which you are comfortable.

Getting coverage right ultimately requires dialogue. Your agent should be engaging in dialogue, addressing what would be your greatest concern after a total home loss and they should be able to provide a variety of coverage solutions to protect what is most important to you.

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