

Obtain Applicable Discounts. Many insurance companies offer discounts on homeowners insurance for reinforced roofs; modernized plumbing, heating and electrical systems; home security systems; dead bolt locks; sprinkler systems; fire extinguishers; engraving expensive personal items with identifying marks; or having held a policy with the same insurer for a number of years. Ask your insurer about these and other available discounts.

Review Your Coverage Periodically. You should review your homeowners or tenants insurance policy annually and after events such as home improvements, major purchases of personal property and lifestyle changes.

If You Are Refused Homeowners Insurance

If you are unable to find an insurer willing to sell you a policy, you should consider contacting several special insurance providers. The New York Property Insurance Underwriting Association (NYPIUA) offers fire and extended coverage as well as coverage for vandalism, malicious mischief, and sprinkler leakage. It can be reached in New York City at 212-208-9700 or outside New York City at 800-522-3372. If you are a coastal resident and have difficulty obtaining or keeping homeowners insurance, you can contact the New York State Insurance Department for assistance at 800-522-4379.

Policy Cancellation

An insurance company may cancel a homeowners policy within the first 60 days it is in effect if it provides specific reasons for the cancellation. After that time, the company cannot cancel the policy for three years except for reasons specified in the Insurance Law, including nonpayment of premiums, reckless acts by the insured that increase the likelihood of loss, or fraud or misrepresentation by the homeowner.

Resources

The New York State Insurance Department licenses insurance companies, agents, brokers and adjusters operating in New York. To file a complaint regarding homeowners or tenants insurance, either file electronically at www.ins.state.ny.us, or write a letter with your name, address, telephone number, insured's name, policy or claim number and an explanation of the problem to either:

Consumer Services Bureau
NYS Insurance Dept.
1 Commerce Plaza
Albany, NY 12257

Consumer Services Bureau
NYS Insurance Dept.
25 Beaver Street
New York, NY 10004

The relevant information can also be faxed to the Insurance Department at 212-480-6282. Alternatively, call the Insurance Department's specially trained Agency Services Representatives at 1-800-342-3736 or 212-480-6400.

For more information, visit the Insurance Department Web site at www.ins.state.ny.us and access the Homeowners Insurance Resource Center. If you do not have access to the internet, a copy of the Consumers Shopping Guide for Homeowners and Tenants Insurance can be obtained by calling 1-800-342-3736.

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This guide is provided to you by the New York State Insurance Department and the New York State Consumer Protection Board

A CONSUMER GUIDE TO PURCHASING HOMEOWNERS AND TENANTS INSURANCE



New York State
Insurance Department
1 Commerce Plaza
Albany, NY 12257
1-800-342-3736
www.ins.state.ny.us

New York State
Consumer Protection Board
5 Empire State Plaza, Suite 2010
Albany, NY 12223
1-800-697-1220
www.consumer.state.ny.us

The New York State Consumer Protection Board and the New York State Insurance Department have developed this guide to provide important information about insurance for your home and its contents, whether you rent or own your home.

Should I Purchase Homeowners or Tenants Insurance?

Both homeowners and tenants insurance provide protection against damage to or theft of your personal belongings, lawsuits for bodily injury or property damage caused by you or family members (known as liability), and additional costs of living away from home due to an insured event. Homeowners insurance also insures against damage to the structure of your home. It is not necessary for tenants to insure the buildings in which they live. Homeowners insurance is typically required by banks and other lenders as a condition of a mortgage. If you do not have homeowners insurance when required by the lender, the lender may purchase the insurance and charge the premium to you. Such insurance is known as “forced-placed,” and can be very expensive. Owners of condominiums and cooperatives should also investigate the insurance provided by the condo/co-op board to determine if additional protection is required.



Types of Homeowners Insurance

There are several general types of homeowners insurance in New York State. The most common is HO-3, or the Special Form Policy. This is the standard homeowners policy recommended by many lending institutions. It covers your home for all risks of physical loss, except those explicitly excluded, such as flood, earthquake and war. Flood insurance can be purchased through the National Flood Insurance Program (800-638-6620) if you reside in a community designated as a special flood hazard area. Separate policies for

other risks not covered by your homeowners policy may be available from your insurance company. Other types of policies (HO-1, HO-2) provide less comprehensive coverage and offer protection only for specifically identified events.

HO-4 (Tenants or Cooperative Owners) and HO-6 (Condominium Unit Owners) insure against damage to the contents of apartments, cooperatives or condominiums and for personal liability of the insured.

How Much Insurance to Purchase

Your homeowners insurance should cover the current cost of replacing/rebuilding your home and its contents if it were totally destroyed. Regarding your personal possessions, most homeowners insurance policies provide coverage for personal possessions in an amount of 50% to 70% of the amount of insurance on your dwelling. To determine if this is sufficient, or if you are a tenant, you should construct a detailed list of your possessions and their replacement cost. Jewelry and electronics have greater restrictions.

Your homeowners or tenants insurance also provides financial protection against lawsuits for bodily injury or property damage that you or family members cause to other people, including court costs. Generally, most homeowners policies provide a minimum of \$100,000 worth of liability insurance per occurrence and medical payment limits of \$1,000 per person. It is widely recommended that homeowners consider purchasing additional insurance for liability concerns.



Shopping for Homeowners or Tenants Insurance

Estimate Your Insurance Needs Before Shopping. Estimate the replacement cost of your home and your personal property within it. Since the land under your house isn't at risk from theft, fire and

other perils, there is no need to purchase insurance for the value of your land.

Shop Around. Over 200 home or tenant insurance companies offer policies to New Yorkers. Premiums vary widely from company to company and may depend on the age, location and construction of your home and the amount of insurance and deductibles you select. You should obtain and compare quotes from several companies, by:

- Making sure that the type of insurance policy is the same (e.g., HO-3);
- Verifying that the financial protection and deductibles are similar; and
- Determining if any additional protections (jewelry, electronics) are comparable. Some policies offer these protections for no additional charge.

Check for Quality Service. Price is only one factor to consider when selecting an insurance company. You may also want to consider customer service and responsiveness.

Consider Purchasing Your Policies from the Same Insurer. Many insurance companies offer both automobile and home insurance policies. If you purchase both from the same company, the total price may be 5 to 15 percent less than two policies from different companies.



Consider Purchasing Coverage. Insurance offered through employers, schools or professional groups may be less expensive.

Consider a Higher Deductible. A deductible is the amount of money paid by the insured before the insurance company begins to pay a claim. The higher your deductible, the more money you can save on your premiums, although you will have to pay more before the insurance company covers any claim.