

HOW TO CHOOSE INSURANCE

Helpful Hints from the Experts

Does Insurance Cover All Of Your Possessions?

by *Kristen Cole*

(NAPSA)—It's 2 a.m. You watch from the sidewalk as your house burns. Thank goodness everyone got out all right. But when the fire is out, what happens next? Will your insurance cover the total cost to rebuild your house? How about all of the costs for replacing personal belongings that were destroyed? This is certainly not the time to find out that you'll have to pay out of your own pocket to cover the full extent of the damage.



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To illustrate the difference in insurance coverages, let's look at how personal property is covered. Homeowner and Renter policies with actual cash value coverage will cover the cost of replacing stolen or damaged property, but they also depreciate that property value for age and use. So your settlement for that eight-year-old television probably won't be enough to purchase a brand new set.

But those same policies with replacement cost coverage would cover the full cost to replace your stolen or damaged property, up to the amounts stated in your policy, with no deduction for depreciation. With this coverage, your settlement would include the full amount to replace that television—without having to dip into your savings to pay the difference.

However, everyone has different risk tolerances. Maybe you'd rather stick with actual value coverage and have a lower insurance

premium. Or maybe you're the cautious type—you want to make sure you're fully covered if your belongings are damaged or stolen. This does come with a higher premium, but for many people the peace of mind is worth the cost. How can you decide which type of policy is right for you? A personal property inventory could help. Completing an inventory would give you a good idea of how much you own and approximately how much it would cost to replace it. When you have this information, you can make an informed choice.

Amica Insurance offers an online Personal Property Inventory Booklet (<http://www.amica.com/home/pdf/invento.pdf>) for this purpose. This booklet is free to all, with no obligation.

If you still can't decide which type of insurance to purchase, talk to your insurer. Your representative can help identify your risks, assess your risk tolerance, and make appropriate suggestions tailored to your situation and comfort level.

"Most insurance professionals want to help you decide what's best for you," said Brian Berk, a Production Officer with Amica Insurance. "Ultimately, only you can decide which risks you want to retain versus how much premium you're willing to pay. Good insurers respect this and work with consumers in their best interest."

• *Kristen Cole is a writer specializing in insurance issues. For more information about Amica, call 1-800-24-AMICA or visit www.amica.com.*