



NW Insurance Council

Consumer Alert

Contact:

Kenton Brine, President
Sandi Henke, Deputy Director
NW Insurance Council
Phone: (206) 624-3330 / (800) 664-4942

Release Date: 02-22-2019

kenton.brine@nwinsurance.org
sandi.henke@nwinsurance.org
Follow at [Twitter/nwinsuranceinfo](https://twitter.com/nwinsuranceinfo)
[Facebook/NWInsuranceCouncil](https://www.facebook.com/NWInsuranceCouncil)

Life is full of changes, so be sure to review your insurance policies to make sure you're covered

What to Know

- *Three out of five homes in the United States are underinsured by at least 20 percent of their full value, according to a 2018 study by an [analytics firm](#).*
- *A complete review of your insurance policies is recommended at least once a year to make sure you have the coverage you need.*
- *Keep a detailed [home inventory](#) of all your possessions, and make sure you keep your home inventory up-to-date if you add valuables, such as new furniture or electronics.*

SEATTLE, February 22, 2019 – Life is full of changes. Marriage, children, a special holiday or an anniversary, a new home and retirement all have profound impacts on your life. Your insurance should reflect those changes to meet your needs.

“It pays to get an insurance checkup with your agent or company at least once a year,” said Kenton Brine, NW Insurance Council president. “As our lives change – drivers are added, cars are replaced, families grow, homes grow in value – it’s smart to make sure your insurance policies continue to meet your needs.”

An analytics firm estimated that three out of five homes in the United States were underinsured by at least 20 percent of their full value in 2018. That could lead to an unpleasant surprise for any insured homeowner who discovers that the rising costs of rebuilding their damaged or destroyed home has risen above the limits of their homeowners insurance policy.

To make sure you and your family aren't underinsured, NW Insurance Council recommends talking with your insurance agent or company representative to review your insurance policies once a year, or whenever big changes – or even smaller ones – take place in your life.

Here are some additional points to consider:

Marriage – You may qualify for a discount on your [Auto Insurance](#) if you've recently married. If you and your spouse insure your vehicles through two different companies, consider insuring both under one policy. Consider updating your Homeowners Insurance to protect new valuables such as jewelry and wedding gifts.

After getting married, it's wise to examine your Life Insurance needs. Starting a family means being responsible for your loved ones. [Life Insurance](#) can protect your family if there is an unexpected death to either spouse.

If you've recently divorced, you'll need separate Auto and Homeowners policies.

Children – Having a baby will add to your family's expenses, so you will want to review your Life Insurance coverage. Life Insurance also can help you continue to save for your children's education if you or your spouse dies.

Teen Drivers – If your teenaged children have started driving, it's generally less expensive to add them to your Auto Insurance Policy. If they will be driving their own vehicles, consider insuring them with your company so that you can get a multi-policy discount. Choose the vehicles carefully. The type of car a [teen drives](#) can significantly impact the price you pay for insurance.

College – If your kids are heading off to college, there are a few things to consider. While they live on-campus in a dorm, their personal belongings are likely covered by your homeowners or renters insurance policy, but you may need higher limits if they have expensive items like high-end laptops or bicycles. If they live off-campus in an apartment or home, they'll need their own renters policy to protect their belongings from theft, fire or other covered loss. And if they leave their car (or yours) at home, you can likely claim significant savings on their auto insurance because they are “students living away.”

Career – Switching jobs or experiencing a change in your salary can alter your insurance needs. If your new employer doesn't provide as much Life Insurance protection as you had in your old job, you can replace the lost coverage with an individual Life Insurance policy.

If you received a salary increase or decrease, make sure your current Life Insurance protection is adequate to meet your financial commitments. Sometimes a Life Insurance Policy with \$500,000 of coverage can cost less than \$450,000 of coverage because of a Milestone Discount offered by some companies.

Your Home – Too many home owners believe that the coverage limits of their Homeowners Insurance Policy are linked to the market value of their home. Make sure you have enough coverage to completely rebuild your home and replace your belongings in the event of a disaster. Homeowners Insurance is designed to cover the cost of rebuilding, not the sales price of the home.

Also, if you've made significant improvements to your home such as expanding a kitchen or adding a new room, you may now be underinsured. If you've expanded your home, you'll need more protection. Nearly 40 percent of homeowners who say they've significantly remodeled their homes have not updated their [Homeowners Insurance](#), according to the Insurance Information Institute ([I.I.I.](#)). Ask your insurance company or agent about “replacement cost coverage” which can guarantee your entire home and contents will be restored to original condition if destroyed, no matter the cost.

For more information about insurance, contact [NW Insurance Council](#) at (800) 664-4942

NW Insurance Council is a nonprofit, insurer-supported organization providing information to consumers, media and public policymakers in Washington, Oregon and Idaho.

###