



## A Simplified Guide to Your Homeowners Policy

### SAMPLE HOMEOWNER POLICY DECLARATION PAGE <sup>1</sup>

Policy Number: 1234567  
Local Time

Policy Period: 03/10/2007 to 03/10/2008 12:01 AM

NAME AND MAILING ADDRESS OF INSURED      AGENT NAME AND ADDRESS

A	B	C	D	E	F
DWELLING	SEPARATE STRUCTURES	PERSONAL PROPERTY	LOSS OF USE	PERSONAL LIABILITY	MEDICAL PAYMENTS TO OTHERS
\$83,000	\$8,300	\$58,000	\$33,200	\$300,000	\$1,000

Loss Deductible for Section 1: \$1,000

Earthquake Deductible: See Message Below

**COVERAGE FORMS**

Special Form – Homeowners Policy  
Replacement Cost Composite  
Increased Limit for Coverage E & F  
Mold, Fungus, Wet Rot, Dry Rot, or Bacteria  
Premises Alarm or Fire Prot. System  
Mortgage Payment Supplement  
Incl. Lender’s Loss Payment Endorsement

**FORM NUMBERS**

WG HO 300 (7/91)  
WG HO 301(7/91)  
Section II  
WG HO 303 (05/02)  
HO-216 (4/84)  
MP 606 (3/84)  
4388FU NS (5/42)

**PREMIUMS**

\$x,xxx  
Incl.  
Incl.  
Incl.  
Incl.

Important – Earthquake Coverage is Not Included – Contact Your Agent For Further Information.  
The Policy Does Not Include **Building Code Upgrade** Coverage.  
**Extended Replacement Cost** Coverage Does Not Exceed 200% of Limit “A” – Dwelling.<sup>2</sup>  
Coverage Includes **Personal Property Replacement Cost**.<sup>3</sup>

<sup>1</sup> Your declaration page may look nothing like this, but it should have the same basic categories and info  
<sup>2</sup> This is an example of an “extra” that increases the amount stated for your Dwelling Coverage  
<sup>3</sup> See UP tips on the difference between **Actual Cash Value** (ACV) versus **Replacement Cost** (RC)

## WHAT THE ITEMS ON YOUR DECLARATION PAGE MEAN:

**Dwelling:** Your actual coverage in category “A” may be higher than stated here because your policy may contain increases via “endorsements.” We will call endorsements “extras” for simplicity. These extras often have code or form numbers. The extras should be explained in the policy wording. Most policies contain a small automatic adjustment to account for inflation. Do your own math to calculate your coverage and apply all extras your policy includes.

**Separate/Other Structures:** Usually only covers structures that are detached from the main dwelling (garages, retaining walls, decks, fences, etc.) This limit may increase with the extras described under “Dwelling” above.

**Contents/Personal Property:** This limit often does not get adjusted but may be adequate. You may have to list and value everything you lost but ask if your insurer will waive that rule. Your insurer will depreciate (often excessively) and pay “Actual Cash Value” until you replace. Submit receipts to get paid in full. Get extensions of time when needed.

**Loss of Use:** Covers your comparable housing until you can move back in, and other expenses related to losing the use of your home. Basis can be actual rent or the amount your home would have rented for. Won’t cover mortgage payments but will cover extra/temporary expenses (rent, longer commute/gas, laundry, furniture rental, eating out).

**Building Code Upgrade Coverage:** If your policy doesn’t include this, you’re probably the victim of someone’s negligence. You can’t rebuild without complying with building codes and this coverage has become standard. The amount is usually set in the policy as a percentage of your “A” coverage.

**Extended Replacement Cost Coverage:** An extra that increases your “A” and *possibly B and D* limits by 25-100%. Read your policy to determine which categories of coverage this extra may apply to. Argue for the max if you need it.

**Personal Property Replacement Cost:** Means your contents are covered at replacement value so depreciated only temporarily until you replace what you lost.

The information presented in this publication is for general informational purposes, and is not a substitute for legal advice. If you have a specific legal issue or problem, United Policyholders recommends that you consult with an attorney. Guidance on hiring professional help can be found in the “Find Help” section of [www.uphelp.org](http://www.uphelp.org). United Policyholders does not sell insurance or certify, endorse or warrant any of the insurance products, vendors or professionals identified at our website.

## A Guide to Homeowners Insurance Limits

Insurance policies are usually divided into sections or categories by **what is covered** and the **maximum amounts** the insurer will pay in the event of a loss. It's no picnic trying to sort it all out. Here's a basic summary of the main types of coverage in a typical homeowner's policy in California. For more detailed information, please visit [www.uphelp.org](http://www.uphelp.org). Your declaration page (often called a "dec" page) states your name and address, policy number, dollar amounts of coverages and "endorsement" codes. You can think of your dec page as the body of a car. The wording inside is the engine, the parts, the wheels, etc. Your dec page states the dollar amounts/limits for your main coverage categories, but what you see is not always what you've got. There are extensions, limits and exclusions for certain items. For example, many policies contain a "sub-limit" for valuable papers, computer equipment and jewelry.

You'll need to do some math and piecing together to figure out what your policy limits actually are. Don't rely solely on your insurer's calculations. Use our tips and the sample declaration page on page 1 to figure out what's in your policy and how to collect what you're owed.

### **Dwelling Coverage (Coverage A)**

This is the "big ticket" item in your policy. If you paid extra premium for an extended coverage formula that increased your A limit, it may extend other coverages as well. But even with extensions, most disaster survivors have inadequate A limits. A quick way to calculate whether your "A" limit is enough is to divide it by the square footage of your living space. Rebuilding costs per square foot typically range from \$180-\$350 depending on type and location of home.

### **Other Structures (Coverage B)**

This generally covers structures on the property that are not physically attached to the house. If your dwelling is underinsured, read your policy carefully to see if any items can be moved into this category.

### **Personal Property (Coverage C)**

Typically set at 75% of your "A" limit and generally does not get extended via the formulas that increase your dwelling limits. Don't accept excessive depreciation of your personal property, submit receipts for full reimbursement. Ask for an inventory itemization waiver. If they say no, get time extensions when need be. Use UP's *Depreciation Basics* and *Content Claim Tips* for support.

### **Additional Living Expense/Loss of Use (Coverage D):**

Entitles you to maintain your standard of living for a minimum of 2 years after a loss. Some ALE payments will be advanced, most are "as incurred." Submit receipts and insist on full reimbursement.

**Landscaping, Debris Removal, Building Code Compliance:** The max coverage for these items is often buried within the policy language and generally set as 10% or more of your coverage "A", which is often inadequate after a total loss.

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