

Saving Money on Your Insurance

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TEXAS COMMISSIONER OF INSURANCE

Doing a home inventory

MAKING SURE you have homeowners or renters insurance is a good way to protect your personal property from theft or damage. But do you know exactly what you have to insure? That may sound a little silly, but it's actually a very legitimate question.

After a devastating event like a fire or tornado, people often find it very difficult to remember everything that was in their homes before disaster struck. Most people can list big-ticket items such as TVs, computers and stereos. But when you have to begin thinking about everything else, it gets more complicated—there are pots and pans, dishes, small appliances and all your clothes. Replacing those kinds of everyday items can quickly add up to thousands of dollars.

Taking stock of your personal possessions ahead of time is a simple and prudent way to protect your assets and make sure the insurance coverage you have is appropriate for your needs.

Taking a home inventory isn't necessarily a complicated process, but it will take some time. You need to have a plan of attack. Going room by room is the logical way to proceed. (Don't forget the garage and other storage areas.) Make an itemized list of all personal property in each room including furnishings, clothing and any valuables. Write down model numbers and serial numbers for electronics and, if possible, include copies of receipts in the inventory. This will also help police identify your property if it is stolen and later recovered.

A videotape recorder or a digital camera can make the process even easier. Just photograph or record everything inside and outside your home, describing items as you move from room to room. Once you're done with the inventory, make copies and find a safe place to keep the records outside your home, such as in a safe deposit box, at a friend or relative's

home or on an internet-based file system. Remember your inventory won't do you any good if it's destroyed in a fire along with your property. Most insurance companies recommend that you update your home inventory every year. Having a detailed list of your property will help you settle claims, as well as provide documentation of uninsured losses that could be tax deductible.

After taking your home inventory, you may also find it's a good time to review your homeowner insurance policy. You may decide you need more coverage than your current policy provides. For an added premium, you can buy "endorsements" for certain specialty items. Endorsements are insurance "add-ons" for items not covered in your standard policy. Some of the most common endorsements add increased coverage for jewelry, fine art, camera equipment, computers or collections of rare coins, stamps or firearms.

Along with considering any new endorsements, you might also want to increase your overall coverage limits. After taking a home inventory you should have a better idea of how much it would actually cost to replace your property. An insurance policy that may have been sufficient a few years ago may not be enough today, especially if you've made home additions or had major purchases over that time period.

Of course there are some items that can never be replaced—family photos, antiques or a special gift from a loved one. But knowing what your insurance policy does cover, and what you actually have, will help ensure that you get the settlement you deserve if you ever do need to make an insurance claim.

For more information on homeowner or renters insurance visit the Texas Department of Insurance website at www.tdi.state.tx.us. ★

Editors:

- If you need further information, call: **Texas Department of Insurance
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(512) 463-6425**

We welcome your questions and suggestions about this column.