

TIPS ON PURCHASING HOMEOWNERS INSURANCE

1. Be sure to be aware of coverage exclusions. For example, insurance policies will generally not cover earthquake or flood damage as standard items. You will often have to purchase separate insurance to cover such weather-related issues.
2. Learn the meaning of “replacement cost.” If, due to some disastrous event, your Ottawa home is completely destroyed, you will only receive replacement money equal to your coverage’s maximum. In other words, if the damages cost more than your apartment is insured for, you will have to provide the difference yourself. Therefore, it is imperative to ensure that you have enough to cover it.
3. You must have knowledge about liability. Homeowners insurance will cover accidents that occur to other people while in your Condo. This includes court costs, medical care, and court awards, but there is often a maximum, after which you are not covered. Make sure an insurance agent helps you understand just how much coverage you should get to protect yourself in these situations before they happen.
4. You should know dollar limitations. Even when covered for certain risks, there are often limits on the amount the insurance company will pay. For example, often policies will limit how much they will pay for jewelry that is stolen, unless each item is separately insured.
5. You must learn about actual cash value. This means that if your home does happen to be destroyed, you will receive a replacement cost, minus depreciation