

## Plan for the worst, hope for the best with homeowner's insurance

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Homeowner's insurance is something all homeowners should have, but some don't think too much about it until a disaster strikes.

And what if the unexpected does happen? Do you know the ins and outs of your insurance policy, and when to file a claim if the need arises?

A homeowner's policy typically covers the home and the contents of the home if and when a situation occurs. While it is not mandatory under Pennsylvania state law that a homeowner must have homeowner's insurance, most mortgage lenders require it when purchasing a home.

First things first. When choosing a homeowner's policy, a few key things should be taken into consideration.

"Choose a deductible you can live with. If you have a \$3,000 deductible and a tree falls on your house and costs \$5,000, you need to be ready to pay that \$3,000 up front," said Adrian Whitewood of The Whitewood Insurance Agency in Stroudsburg. "Pick something that you can afford if something happens."

So when do you file a claim?

"It's important to file a claim immediately. Most policies have a time frame for reporting a claim," said Roger Lisi, regional office manager for the Pennsylvania Insurance Department. "It's important to always report a claim to the agent."

A few issues that homeowner's insurance typically handles include fire, lightning, hail and wind storms, smoke damage and damage done by an aircraft or vehicle.

"Every insurance is different, but as a rule of thumb for water damage claims to be covered, it has to be sudden and accidental," Lisi said. "Long-term damage is not covered."

Homeowner's insurance is not a means of maintenance, and negligence on the homeowner's part will not be paid.

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"If your roof is leaking because of deferred maintenance, that's considered negligence," Whitewood said. "Insurance is not there for maintenance. Insurance is for sudden and immediate issues."

And fraud is a huge topic in the insurance world.

A recent study done by the **Coalition Against Insurance Fraud** found that two out of three Americans tolerate some form of insurance fraud.

"Fraud is a huge situation in this area," Whitewood said. "If someone files a claim and it turns out that it's fraudulent, they can be turned over to the state attorney general, and face a fine and imprisonment."

If a claim must be filed, it will stay on record for five years. More than two claims in a five-year period can mean uninsurability or higher premiums.

"Five years is the magic window for homeowner's insurance," said Whitewood. "With more than two claims, many companies won't quote you."