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## **Comprehensive Homeowners/Property Insurance & Risk Management Guide**



# Business Solutions





## Empowering You To Be Successful

For almost 100 years, Granite Insurance has proudly and happily served our community and helped them with their insurance needs. Now we're helping even more people and businesses with their coverage. Helping you achieve success is our passion. Our primary goal is to Empower **YOU** or **YOUR** business to be successful even during unexpected events, by providing a tailored insurance program that meets your unique needs.

Our team is here to help you analyze, design, execute and monitor your risk management and insurance program. If you are looking for a true risk management relationship, with ongoing risk management advice specific to you or your business, you may have just found yourself a new business partner!



### For Businesses

Keystone provides us with added resources to support the visions and goals of our business clients. From complex insurance solutions to risk management, employee benefits, and financial services, we have access to specialized expertise and products to fulfill the unique business needs of even the most challenging industries.

Granite Insurance is among an elite group of independent insurance agencies around the United States, holding the **Best Practices status for 7 consecutive years.**





## What is **Risk**?

- The chance of something unexpected or harmful happening to expose a business to financial damages.

## Why do I need **Insurance**?

- An insurance policy is an agreement between you and an insurance company where the insurer promises to pay/indemnify in the event of a loss if determined to be covered by the wording of the policy.

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## Choosing your “Agent”

For you and your family, you need to work with an insurance agent to act as your expert advisor and “buyer”. There are two types of insurance agents:

- **Independent Agents (Brokers):**

The independent agent *works for you* and *works with multiple companies* to find the best option in the marketplace.

- **Captive Agents (Agents):**

The captive agent *works for a specific insurance company* and focuses on selling that specific company's products and services (Farm Bureau, State Farm, Etc)







## Understanding Homeowners Insurance

There are a few ***Types of Homeowners Insurance*** you should be aware of:

- **Owner-occupied Dwelling (HO-3/HE-7)**
- **Owner-occupied Townhouse/Condo (HO-6)**
- **Manufactured Home**
- **Renters Insurance (HO-4)**
- **Tenant Occupied Properties (Dwelling Fire)**
- ***Investment Properties:*** Long Term Rentals and Short Term Rentals

Now that you know the types of Homeowners Insurance, you need to know ***what the Homeowners Policy covers*** in the event of an unexpected occurrence:

### Damage to your property:

- ***Dwelling*** - Covers direct physical loss to your main dwelling structure.
- ***Other Structures*** - Covers other permanently attached buildings or fixtures (*Storage Buildings, Pools, Fences, Mailbox, Etc*).
- ***Personal Property*** - Covers contents in and on the property (*Furniture, Clothing, Electronics, lawn equipment, etc*).
- ***Loss of Use*** - Covers additional living expenses incurred to maintain your standard of living in the event of a covered loss. It also provides payment to remain current on utility bills, food costs, home. This will also cover housing costs if displaced from primary home to rent new residence while repairs are completed.
- ***Personal Liability*** - Covers the cost of damages for which you're deemed legally liability for bodily injury or property damage and provides defense at the insurer's expense for claims made or a suit brought against you.
- ***Medical Payments to Others*** - Covers medical costs to others, regardless of fault, in the event of an occurrence causing bodily injury. It does not cover costs of the insured or other household members.

Now that you know understand what the Homeowners Policy covers. You should consider these **Special Limits / Coverage** and be aware of the **Policy Exclusions**:

**The policy will list sub-limits for certain classes of items:**

- Theft of Jewelry (\$1,500)
- Theft of Firearms (\$2,500)
- Theft of Fine Arts/High Value metals (\$2,500)
- Property off premises (\$500)
- Business Property (\$2,500)

If you have any high value or collectible items that fall into the above category or are considered unique & have been appraised for a specific value, a collections policy is needed.

**Notable Policy Exclusions:**

- **Freezing** of a plumbing or HVAC system **IF** you do not maintain heat or winterize building.
- **Vandalism** if property has been vacant longer than **60 days**.
- **Mold** - Unless hidden behind ceiling, walls, or floor and a result of accidental discharge of water.
- **Wear and Tear**
- **Pollution**
- **Settling, bulging, shrinking, or expanding** of foundation, walls, floors, etc.
- **Birds, Rodents, Vermin, Insects, & animals** owned by the insured.
- **Flood**
- **Earth Movement**
- **Intentional Loss & Neglect**
- **War, Nuclear Hazard, & Governmental Action**





## Coverage Endorsement Recommendations

It is our recommendation that you utilize these coverage endorsements on your policy:

- Cover property on Homeowners Enhanced policy when eligible.
- Adding Coverage for Replacement Cost of Personal Property.
- Adding Coverage for Water Back Up and Overflow.
- Adding Coverage for Personal Injury Liability.
- Adding Coverage for Identity Theft Expense.
- Adding Coverage for Equipment Breakdown & Service Lines when available.

## Factors that Impact Rate of a Property

The following Factors will impact the rate of a property when designing your or your clients insurance program.

### Protection Classification:

- ISO rates 1-10 (1 best, 10 worst)
- Rating determined by responsiveness capabilities of local fire department.
- Distance from nearest fire station & hydrant/water source also a factor.

### Occupation:

- Owner or Tenant?
- Primary, Secondary, or Rental?
- Pets — Specific Breeds can be restrictive.
- Pool and/or Trampoline present.

### Construction Type:

- Frame vs. Masonry or Superior
- Roof Type & Age
- Age of Home

### Loss Prevention Tools:

- Central Alarm
- Water Leak Protection
- Smart Devices



## Investment Properties

- Investment properties can be written on a **personal or commercial** policy.
  - A commercial policy is recommended if ancillary activities are offered in conjunction with the property (I.E. on-site camping, kayaking, wedding venues, etc).
- **Adequate coverage of personal property & loss of rents** should be discussed with your advisor.

## Items To Consider When Insuring A Property

- When possible, **look to write as many coverages with the same carrier as possible** (Home, Auto, Toys, Umbrella, Etc).
  - This will maximize the discount to your premium across all policies.
- **Any farming or revenue producing (business) operations** should be reviewed by your advisor as a commercial policy may also be needed.
  - Farming for-profit at Farmers Markets
  - Piano Lessons
  - Fund-Raising Dinners
  - At-home Professional Services
- **Any high value or collectible items** should be reviewed for proper coverage.
  - A separate policy may be needed to adequately cover specific items (Jewelry, Firearms, Fine Arts, Etc)
- **Flood Coverage**
  - Required by a lender if in a high-risk area as determined by FEMA.
  - Can purchase coverage through NFIP or Private Market.
  - Private Market usually more affordable and flexible than NFIP.
  - Need to confirm accepted by lender.
  - Obtain Elevation Certificate to have most accurate rates available.
- **Who Owns The Property?**
  - The named insured on a policy should match the Deed.
  - Properties in the name of a LLC, Trust, or other legal entity should be properly listed so all parties are covered in the event of a claim.
- **Leverage The Value Of The Property With Life Insurance.**
  - A term life insurance policy to match the loan amount/value of the home will give peace of mind to your beneficiary if needed.

## What's Next?

**Contact PJ Hennessey,  
Senior Risk Advisor, to  
schedule a consultation.**



**Request a Proposal**