



Rise 'N Shine Review

Burd & Rise Insurance

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ATTENTION MINNESOTA AUTO-OWNERS AND OWNERS HOMEOWNERS POLICYHOLDERS

Water back-up of sewers or drains has been available with Auto-Owners and Owners for \$5,000. Now there's good news! Limits up to \$50,000 can be purchased. To get the increased amount:

- Your dwelling must be 25 years old or newer
- Your dwelling must not be in a special flood hazard area
- You must have had no losses of this type for 3 years
- This must be your primary home
- Your basement must be poured concrete, block, or treated wood.

Please let us know if you are interested in this increase!

REVIEW YOUR HOMEOWNERS POLICY

Is it time for you to review your homeowners policy and its coverage? Here are some recommendations from Burd and Rise Insurance about your homeowners policy. Whether you own a town home or farm home, own a condo unit, or rent an apartment, this applies to you.

HIGH LIABILITY LIMITS – Today people sue for getting injured in your home or unit, injuries you cause while playing sports, injuries caused by your pets, or property damage you may cause to the other units in your apartment or neighboring premises. Make sure you're protected for the hundreds of thousands or millions of dollars for which you may be responsible.

UMBRELLA POLICY – An umbrella policy is a separate policy bought in increments of millions of dollars, to provide protection over and July 4 above your homeowners or farmowners, auto, and recreational vehicle policies.

REPLACEMENT COST – Make sure your home is insured for replacement cost and that you have the replacement cost endorsement on your personal property. Otherwise, you will have to pay a depreciation penalty if you have a loss.

ADEQUATE VALUES – Are your other structures, personal property, and loss of use (additional living expense and rental value) covered for adequate replacement cost values?

CAUSES OF LOSS – Is your dwelling and personal property covered for all risks of direct loss except what is excluded? Some extra causes of [CONTINUED ON PAGE 2](#)

FREQUENTLY ASKED QUESTIONS

Why do I need to insure my home for more than I can sell it?

Insurance policies deal with replacement cost and actual cash value, not market value, the value for which you could sell your home.

Replacement cost is the cost to replace damaged property with new property of like kind and quality, without deduction for depreciation. Actual cash value is replacement cost minus depreciation.

Most insurance companies require that you are insured to at least 80% of replacement cost of the dwelling or other building to receive replacement cost coverage at the time of loss. Often, if you insure your home to 100% of replacement cost, you will receive premium savings, making it less costly than insuring to 80% of replacement cost, even though the amount of insurance is more.

As you know, the cost of materials and labor has greatly increased in the last few years. Most insurance companies subscribe to companies that issue cost replacement estimators based on square footage, number of floors, structures attached, number of bathrooms, [CONTINUED ON PAGE 2](#)



BEAT THE HEAT

As the hazy, lazy days of summer approach, we all do what we can to stay cool. To help your house conserve energy and stay cooler, consider the following:

- Make certain airflow to your outdoor air conditioning unit is not blocked by shrubbery or other obstructions.
- Keep draperies, blinds and shades closed during the hottest part of the day.
- Keep windows and doors tightly closed when operating air conditioning equipment.
- Close closet doors in air-conditioned rooms.
- Close all openings into the attic from air conditioned areas.
- Turn off unnecessary lights.
- Check your air conditioning or furnace filter regularly and clean or replace it as needed.
- Plan cook-free meals of cold cuts, fresh vegetables, fruits and salads.
- Do your cooking, showering, washing, clothes drying and ironing in the morning or evening, when temperatures are cooler.

 **HIDE & SEEK**—Hidden somewhere in the newsletter is a date. If this is your birth date, call us at 800-566-2172 to claim your prize.

REVIEW YOUR HOMEOWNERS CONTINUES...

loss you receive are water damage to ceilings and walls from snow melt and rain; spillage of paint and chemicals; and breakage of non-fragile articles like furniture, fixtures, computers and TVs.

RECREATIONAL VEHICLES – Do you own a snowmobile, ATV, golf cart, dirt bike, or go cart? These types of vehicles are not covered automatically for liability or physical damage under your policy. You must have endorsements or a separate policy to cover these vehicles.

BOATS, MOTORS, AND JET SKIS – Watercraft and equipment are covered very poorly for physical damage, and some units are not covered for liability under a homeowners policy. If you have a boat, contact us to add endorsements or buy a separate policy.

PROPERTY THAT'S LIMITED - Some property that is limited in dollar value is jewelry, furs, silverware, guns, coin and stamp collections, business property, and fine arts. If you have items in these categories, you may insure them specifically on an endorsement. This endorsement gives very broad coverage, so other items may also be listed. Examples of covered losses are a diamond falling out of a ring, dropping a camera, losing a gun in the lake, and spilling soda on your computer.

BUSINESS IN THE HOME – Do you have a business in your home? If the business is in an outbuilding, the building will be excluded and you need to insure it separately. You also need business personal property and liability coverage; this can all be added with a business in the home endorsement.

FLOOD INSURANCE – Flood damage is EXCLUDED on your homeowners policy! But you can have flood protection with a separate flood insurance policy. Make sure you're protected.

WATER AND SEWER BACKUP – This damage is excluded under your home policy, but an endorsement can be added to give a specified amount of coverage.

ADDITIONAL PREMISES – If you own or rent another premises that you use as a seasonal residence, rent to others, or use as farm land, please contact us to receive liability coverage.

HIGH MEDICAL PAYMENTS LIMIT – Medical payments covers guests if they are injured on your premises regardless if you are at fault or not. Having a high medical payments limit can deter the injured party from bringing a lawsuit against you.

HOUSEHOLD EMPLOYEES – If you pay household employees \$1,000 or more in a three-month period, you are required to carry workers compensation by Minnesota law. If this applies to you, please contact us to write a policy.

PERSONAL INJURY – Today you may be sued for libel, slander, and defamation of character. Your policy can be endorsed to cover you from these lawsuits.

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FREQUENTLY ASKED QUESTIONS CONTINUES...

types of construction materials, and so on. These estimators assist you and us in estimating the replacement value of your home. As costs of labor and material increases, the replacement cost increases also. If you do not insure to 80% of replacement cost, and you have a partial loss, you would receive the greater of the depreciated value of the loss or the percentage that you were insured to value. For example, depreciation on 20-year asphalt shingles would be 1/20 or 5% a year, so this could be quite a deduction from your loss, if you are not insured to value.

Do I need to keep increasing the value on my home?

Most insurance companies will attach an inflation guard endorsement to your policy, that will automatically increase your coverages on renewal date by a percentage to keep up with inflation.

What about a total loss?

In Minnesota and North Dakota, it is state law that in a total loss to a building, the face amount of the coverage on that building is paid.

What kind of valuation do I have on personal property?

Most homeowners policies include only actual cash value coverage on personal property. This can create a big gap, as personal property depreciates in value very quickly.

On most policies, to receive replacement cost on personal property, you must purchase an endorsement and pay additional premium. With this endorsement, you would receive new value for older items that are damaged in a covered loss.

DID YOU KNOW BURD AND RISE INSURANCE OFFERS QUALITY LIFE INSURANCE PRODUCTS?

We are happy to let you know Burd and Rise Insurance offers life insurance products with many fine insurance companies. Products include:

- Term Life Insurance
- Universal Life Insurance
- Disability Income
- Long-term Care Insurance
- Annuities

Auto-Owners offers a discount on your auto and home policies if you also purchase a life insurance policy! Contact us today for a quote on these valuable products!