

What is comprehensive homeowners insurance?

Comprehensive is the most expensive type of homeowners insurance; it covers the most potential damages such as fire damage, water damage not caused by flooding (which would fall under your Flood Insurance policy), your personal possessions, personal liability, theft and vandalism. It is usually required that you carry at least a basic hazard insurance policy.

When concerning homeowners insurance, it's important to shop around as soon as possible to avoid being caught in a jam in the event that your insurance company refuses to insure your home.

You have two options concerning comprehensive homeowners insurance: Guaranteed Replacement Cost Coverage & Straight Replacement Cost Coverage. Guaranteed Replacement is not available everywhere, but is recommended if you can afford it as it pays to rebuild your home even if the amount to rebuild exceeds your policy limit. Straight Replacement is a cheaper choice, but it is limited. It will pay to rebuild your house in the event that it is destroyed, however it will only cover costs up to the policy amount - so if you choose this option, make sure to buy enough coverage to rebuild.