

Liability limits typically start at about \$100,000. However, some experts recommend that you purchase at least \$300,000 worth of protection for added coverage and security. You can also purchase an umbrella or excess liability policy to provide broader coverage, including claims against you for libel and slander, and higher liability limits. Generally, umbrella policies cost between \$200 and \$350 for \$1 million of additional liability protection. Talk with your ERIE Agent about purchasing additional insurance coverage.

What if you're a renter?

You still need insurance! Contrary to what some people think, renters are not covered by the landlord's policy. If your apartment burns, the landlord may be reimbursed for the cost of the building, but unless you have renter's insurance, you will not be compensated for your contents.

Things to think about

Some optional coverages available for purchase on home policies include:

Replacement cost

The policy pays the cost of rebuilding/repairing your home or replacing your possessions without a deduction for depreciation.

Water back-up

This insures your property for damage caused by the back-up of sewers or drains. Water back-up may not always be included in a policy. Check with your ERIE Agent for more details.

Umbrella liability

This is a way to add more liability protection and broader coverage to your standard policy.

Earthquake insurance

If you live in an area prone to earthquakes, you should consider purchasing earthquake coverage.

Flood insurance*

Flood insurance is available from FEMA's National Flood Insurance Program (<http://www.fema.gov/nfip/>). Flood insurance can be purchased through your insurance agent.

Floater or endorsement

If you own expensive jewelry, furs or collectibles, you may want to consider purchasing additional coverage over and above the \$1,000 to \$2,000 limit for theft of jewelry on a standard policy or Inland Marine "floater."

Money saving tips

Are you doing all you can to save money on your homeowners insurance premiums? Here are just a few ways to reduce your insurance premium:

- Buy your home and auto policies from the same insurer and receive a Multi-Policy Discount
- Qualify for a New Home Discount
- Raise your deductible
- Install Premises Alarms (smoke alarms)
- Qualify for a Sprinkler System Credit

* Not available for all properties.

See your
ERIE Agent for
more details.

For all your insurance needs

Erie Insurance Group offers a broad range of services to meet family insurance needs, including auto and boat insurance and a variety of home and tenant insurance policies. ERIE also offers a variety of business insurance products to meet the needs of both small and large businesses. Erie Family Life Insurance offers a complete line of products to meet individual and business life insurance needs.*

This brochure is not an insurance policy. The policy contains the specific details of the coverages, conditions, and exclusions. All coverages are not available in all states. Your ERIE Agent can offer you professional advice and answer any questions you may have before you buy.

Equal professional service

ERIE embraces the principle of "equal professional service," which means that every applicant, Policyholder and claimant receives the high caliber service that is our hallmark. ERIE does not tolerate unlawful discrimination, and we expect our Agents to adhere strictly to that nondiscriminatory philosophy as well. ERIE assesses each risk on its own merits and relies on objective underwriting criteria designed to evaluate the nature and extent of each risk.

* Not all products are available in all states.



We've got you covered. It's our true blue promise.

Home Office • 100 Erie Insurance Place • Erie, PA 16530
814.870.2000 • www.erieinsurance.com

S830 8/07 © 2007 Erie Indemnity Company

Understanding Your Policy

Homeowners Insurance





Understanding Homeowners Insurance Policies

Understanding what and how your policy covers is the first step in assuring the right protection for your home and other important investments.



What is in a standard homeowners insurance policy?

A standard homeowners insurance policy includes four essential types of coverage:

1. Coverage for the structure of your home and other structures.
2. Coverage for your personal belongings.
3. Additional living expenses in the event you are temporarily unable to live in your home because of a fire or other insured loss.
4. Liability protection.

Following is an explanation of the four basic elements of a standard homeowners insurance policy:

The structure of your home

This part of your policy pays to repair or rebuild your home if it is damaged or destroyed by fire, hurricane, hail, lightning or other losses listed in your policy. It will not pay for damage caused by a flood, earthquake or water and sewer backup unless purchased separately. When purchasing coverage for the structure of your home, it's important to buy enough coverage to rebuild your home, should that be necessary.

Most standard policies also cover structures that are detached from your home such as a garage, tool shed or gazebo. Generally, these structures are covered for about 10% to 20% of the amount of insurance you have on the structure of your home. If you need more coverage, talk to your Erie Insurance Agent about purchasing additional insurance.

Your personal belongings

Your furniture, clothes, sports equipment and other personal items are considered personal property and are covered if they are stolen or destroyed by fire, hurricane or other insured disaster. Most companies provide coverage for about 50% to 70% of the amount of insurance you have on the structure of your home. For example, if you have \$100,000 of insurance on the structure of your home, you would have between \$50,000 and \$70,000 of coverage for your "personal property." The best way to determine if this is enough coverage is to conduct a home inventory.

Personal property coverage includes off-premises possessions coverage. This means that your belongings are covered anywhere in the world, unless you have chosen not to purchase off-premises coverage. Some companies limit the amount to 10% of the amount of insurance you have for your possessions.

In addition, you may have up to \$2,500 of coverage for unauthorized use of your credit cards.

Valuable items such as jewelry, furs, silverware and guns are covered, but there are usually dollar limits if they are stolen. Generally, you are covered for between \$1,000 and \$2,000 for all of your jewelry and furs. To insure these items to their full value, you can purchase a special personal property endorsement, or "floater," which insures the item for their appraised value. Coverage may also include "accidental disappearance," meaning coverage if you simply lose that item.

Trees, plants and shrubs are also covered under standard homeowners insurance policies. Generally, you are covered for 5% of the insurance on the house, up to about \$500 per item. Perils covered are theft, fire, lightning, explosion, vandalism, riot and even falling aircraft. Trees, plants and shrubs are not covered for damage by wind or disease.



Additional living expenses

Coverage for additional living expenses pays the additional costs of living away from home when you cannot live in your home due to damage from a fire, storm or other insured peril. It covers hotel bills and other living expenses incurred while your home is being rebuilt. Many policies provide coverage for about 20% of the insurance on your house. You can increase this coverage, however, for an additional premium.

If you rent out a portion of your house, additional living expenses coverage also reimburses you for the rent that you would have collected from your tenant if your house had not been damaged or destroyed.

Liability protection

Liability protection covers you against claims or lawsuits for bodily injury or property damage that you or family members cause to other people. It also pays for damage caused by your pets. Therefore, if your son, daughter or dog accidentally ruins your neighbor's valuable rug, you are covered. However, if they destroy your rug, your liability coverage does not provide compensation.

Your policy also provides medical coverage. In the event a friend or neighbor is injured in your home, he or she can simply submit medical bills to your insurance company. Expenses are paid without the injured party filing a liability claim against you. Medical coverage generally ranges between \$1,000 to \$5,000. It does not, however, pay the medical bills for your family or your pet.

Liability coverage pays for both the cost of defending you in court and any court awards—up to the limit of your policy. This coverage applies anywhere in the world.