

Homeowners' insurance is crucial for safeguarding your home against risks such as wildfires, floods, and other disasters, although it is not mandated by Florida law, it is often required by mortgage lenders, particularly for properties in flood zones. The policy typically encompasses several coverages: Coverage A for the dwelling, Coverage B for other structures, Coverage C for personal property, Coverage D for loss of use, Coverage E for personal liability, and Coverage F for medical payments to others. The Declarations Page is essential for understanding these coverages. The policy covers damages from specified perils like fire, theft, and vandalism, but may impose limitations on certain personal property types, such as cash and jewelry. Additional Living Expense (ALE) coverage is provided for costs incurred when the home is uninhabitable due to a covered loss, requiring receipts for reimbursement. Personal liability coverage protects against claims for bodily injury or property damage to others, excluding auto-related incidents, while medical payments cover guest injuries regardless of fault.

Inflation Guard endorsements help maintain adequate coverage limits as replacement costs rise, and it is vital to insure the home for its current rebuilding cost rather than just the purchase price or mortgage amount to avoid underinsurance. Homeowners can select from various policy types, including the comprehensive Special Form (HO-3), which covers all perils except those specifically excluded. For condominium owners, the HO-6 policy covers personal property and certain structural features not insured by the association's master policy, while mobile home insurance may offer narrower coverage options. Rental properties are covered under specific dwelling insurance policies, which vary in the perils they cover. It is advisable to review the policy with an agent to ensure adequate coverage and understand exclusions.

The policy emphasizes the importance of securing coverage before hurricane season, as new policies cannot be obtained once a tropical storm or hurricane watch is issued. Insurance costs are influenced by the building materials of the home, with stronger materials potentially leading to lower premiums. For landlords, "Dwelling" policies (DP-1 and DP-2) are available. Home warranty plans

may cover unexpected repairs but often have exclusions and limitations. Resources like the Florida Market Assistance Plan (FMAP) and Citizens Property Insurance Corporation can assist individuals struggling to find insurance, while surplus lines companies offer options for those unable to secure coverage from authorized carriers, albeit with less regulatory protection. Mortgage lenders typically require property insurance to protect their interests and may impose "force-placed" insurance if homeowners fail to maintain coverage, which is often more expensive and limited.

Private mortgage insurance (PMI) may be required for loans with down payments under 20%, protecting lenders from borrower default. For new constructions, a builder's risk policy is recommended to cover the home during construction against various perils, though liability coverage may need to be purchased separately. Policy termination can occur within 60 days for reasons such as nonpayment or misrepresentation, with specific notice requirements. Homeowners can cancel their policies at any time but may incur penalties or lose unearned premiums. Policies typically feature deductibles for hurricanes and other perils, with special limits on personal property. Homeowners can choose between Actual Cash Value and Replacement Cost for settlements, with the latter requiring coverage of at least 80% of the home's replacement value to avoid co-insurance penalties.

The payout amount is determined by the ratio of the insurance carried to the required insurance, multiplied by the loss amount, minus any deductible. Windstorm coverage is generally included unless a signed request for exclusion is made; however, those in Wind-Pool Areas may need a separate policy. Flood damage is typically excluded, but flood insurance can be obtained through the National Flood Insurance Program (NFIP) or private insurers, with a 30-day waiting period for NFIP policies unless purchased simultaneously with a home transaction. Coverage for sinkholes is not automatically included and may require inspection, with claims needing to demonstrate "structural damage" as defined by Florida law. Insurers must cover "catastrophic ground cover collapse" (CGCC) under specific conditions. Ordinance or Law coverage is mandatory, providing

25% of the dwelling amount, with an option for 50% coverage at an additional premium. Mold resulting from covered perils is generally covered, but limits often apply, typically around \$10,000, with options for higher limits available. Policyholders are encouraged to maintain a detailed inventory of their property to facilitate claims processing, and any insurance claim payments for a mortgaged home will be made jointly to the homeowner and the mortgage holder.

The policy outlines procedures for filing claims, advising policyholders to file promptly if damage exceeds the deductible and to retain all invoices and receipts for repairs. The hurricane deductible is cumulative for the calendar year, and policyholders must make reasonable emergency repairs to prevent further damage, documenting these repairs with photos and receipts. They should not dispose of damaged property until instructed by an adjuster, who inspects and estimates the loss. The policy distinguishes between different types of adjusters, including company adjusters, independent adjusters, and public adjusters, with public adjusters available for hire by policyholders to negotiate settlements for a fee. The use of Assignment of Benefits (AOB) contracts is prohibited for policies issued after January 1, 2023.

In case of a claim dispute, policyholders are encouraged to explore Alternative Dispute Resolution options such as mediation or arbitration. The document emphasizes the importance of preparing for storms by reviewing insurance coverage, having an emergency kit, and planning for evacuation, including checklists for legal and financial documents. It urges policyholders to keep essential information organized and accessible for potential disaster assistance and to maintain secure passwords for electronic accounts. For further assistance, the Florida Department of Financial Services offers a helpline for insurance inquiries.