THE POLICY

The paper policy or digital download you receive from your insurance company will typically have four parts:

1. The declaration/information page identifies the policy number, the effective dates, the address of the insured property, the mortgage holder, the coverages, coverage limits, the premium, and any discounts.
2. The insuring agreement summarizes the policy coverages. This form is typically a general listing and can be modified by endorsements later in the policy, which should be listed on the declaration page. The insuring agreement will also explain the types of perils - or losses - covered. This section will also specify limitations on coverage.
3. The exclusions section outlines specific coverages or perils not covered by your policy. This section can modify coverages in the insuring agreement. Typically, floods and earthquakes are excluded from homeowner's policies.
4. The general conditions section explains what you are expected to do in case of a loss. This section also contains definitions for the terms used on the declarations page and in the insuring agreement.

JAMES BROWN
CSI
COMMISSIONER OF SECURITIES & INSURANCE
OFFICE OF THE MONTANA STATE AUDITOR

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FireSafe MONTANA

FireSafe Montana is a private, non-profit organization coordinating and supporting a statewide coalition of diverse interests working together to help Montanans make their homes, neighborhoods, and communities fire safe. ***FireSafe Montana focuses on wildfire education, mitigation, planning/construction, and insurance.***

firesafemt.org | FireSafeMT

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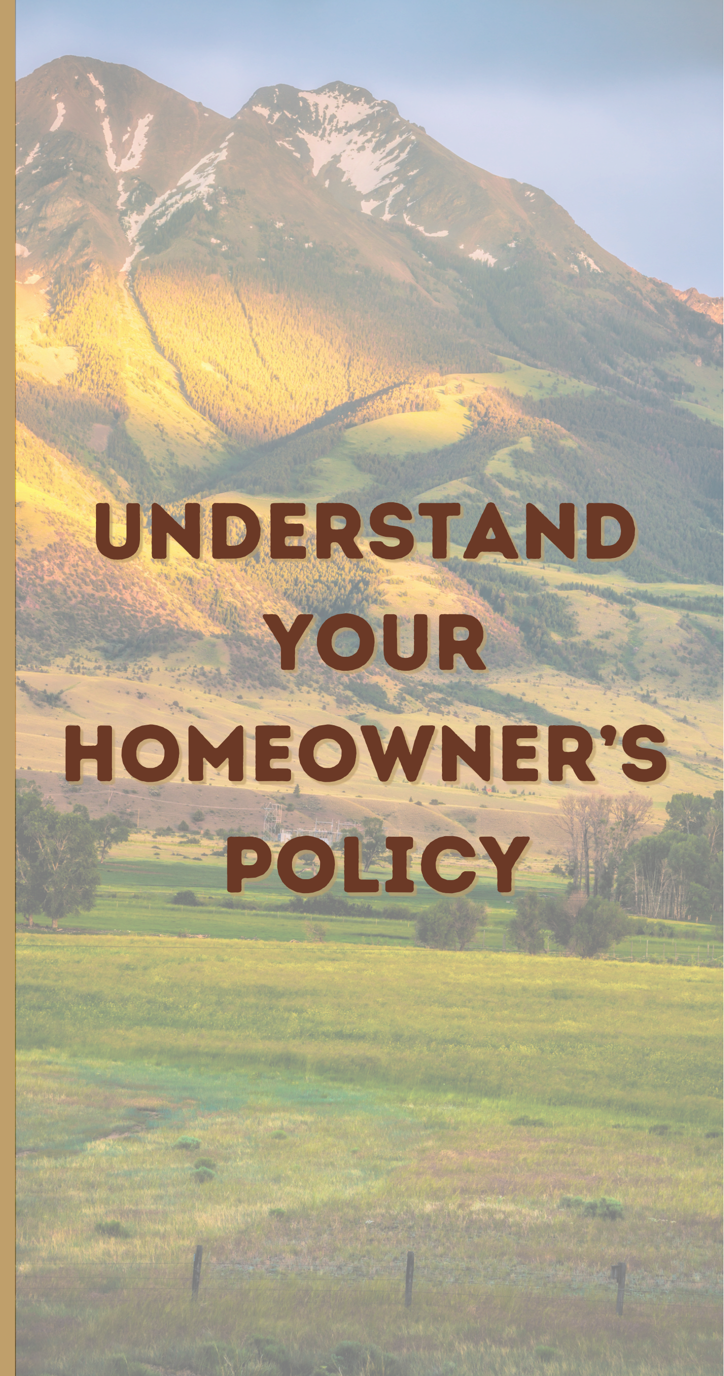

UNDERSTAND YOUR HOMEOWNER'S POLICY

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FireSafe MONTANA

WHAT TO LOOK FOR ON A DECLARATIONS OR INFORMATION PAGE

Many factors are used to determine your homeowner's insurance premium. To ensure your company has used accurate information and has provided the coverage you want, check the following on your policy declarations page:

- ***Name and Property Location*** – Confirm the address and names listed on the policy are correct. In most cases, the names of all parties involved in the mortgage should be named as insureds.
- ***Effective Dates/Policy Period*** – These are the dates the policy is in force. Your lienholder or mortgage company will check to ensure the policy continues without interruption.
- ***Property Coverages*** – The property section will include the amount of coverage you have on the dwelling (attached structures, plumbing, heating, and electrical); other structures (detached garages, sheds, fences); personal property (contents of the home, other personal items); and additional living expenses (living expenses if you cannot live in the home). **Make sure that the limits of insurance are sufficient to replace your property and follow up with your agent if not.**

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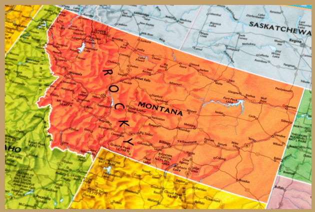
- ***Valuables*** – As you acquire more valuables – firearms, jewelry, family heirlooms, antiques, art – additional coverage can be purchased to cover these special items, as there are coverage limitations on the basic homeowner's policy.
- ***Loss Settlement Provisions*** - The manner in which the property will be replaced should also be described here. Check to see if claims will be paid with replacement cost (the amount it would take to replace or rebuild your home or repair damages with materials of similar kind and quality, without deducting for wear and tear) or Actual Cash Value (often written as ACV, meaning you will be reimbursed the amount it would take to repair or replace damage after depreciation). Most "other structures" that are not buildings are covered at actual cash value (ACV) and the depreciation on those items is your responsibility.
- ***Liability Coverages*** – The liability section includes the amount of coverage you have for protection for the named insured against liability for accidents that cause injury to other people or damage to their property (personal liability) and benefits for medical expenses when people are injured on the insured's property (medical payments).

Be aware of wildfire limitations!



Liability insurance covers the named insured, so make sure these limits are in line with the amount of protection you may need. For extra coverage, you may consider a personal umbrella policy, which provides additional liability coverage on top of the homeowner's policy.

- ***Endorsements*** – If you have increased coverage or limitations outside the basic policy, you will find those additions in this section.
- ***Deductibles*** **–** Declarations pages vary from company to company, but all declarations pages specify the amount you are responsible for paying when you have a loss. In some cases, this will be a dollar amount; in others, a percentage of the coverage limit. If you have questions about how the deductible applies to the different types of coverage, talk with your agent or insurance company.
- ***Discounts*** **–** Check the list of discounts to see what was included in your overall premium.
  - ***Premium*** – This is the cost for the term of the policy, generally after the discounts have been applied.
    - ***Agent/Insurance Company Contact*** **–** This should be either the name and contact information for the agent from whom you purchased your policy or the company that wrote the policy.