

Jacksonville Area Legal Aid, Inc.

Fair Housing Advocacy Center

Fair Housing: Insuring Your Home



Fair Housing Advocacy Center
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What You Should Know When You Buy Homeowners' Insurance

You don't have to be an expert to select good coverage, but there are some things you should know.

Although there are many variations among policies, there are two basic kinds of coverage:

Replacement Value - insures your home for the cost of rebuilding it. Also, if you lose some of your covered possessions, the insurance company will pay for you to buy new ones.

Market Value - insures your home for the price at which it would sell. If you have an older home, the market value is not likely to be enough to replace it. If something happens to one of your possessions, the insurance company will only pay for a used one of equal value.

A good way to think about the difference is to imagine that you have a serious kitchen fire. A replacement policy will rebuild your kitchen and replace the damaged appliances with brand new ones. A market value policy might not even give you enough money to rebuild your kitchen, let alone pay to replace your appliances.

A replacement value policy may cost more - but it's worth more if you have a claim. You should be able to choose which kind of policy you buy. Unfortunately, one way that insurance companies discriminate against certain people or certain neighborhoods is by offering only market value policies instead of replacement coverage.

It is against the law to be denied homeowners' insurance, or charged more, or offered less coverage because of your race, color, religion, national origin, sex, disability, or familial status.

Florida Relay
(for hearing and speech impaired)
1-800-676-3777 (English) 1-800-676-4920 (Spanish)

The Best Way To Buy Homeowners' Insurance

Don't rely on someone else to get insurance for you - there are too many choices to make. You should call several different companies to get information before you decide which policy to buy.

Ask the following questions:

- How much is the deductible? - You need to know the amount of the deductible - how much you will have to pay each time you have a claim. The higher the deductible, the lower the cost of the policy.
- How much does the policy cost? - This should depend on whether the policy is a replacement or market value policy, the amount of the deductible, and extra coverage which the policy has.
- What is included in the coverage? - What is not included? Market or replacement value? How much coverage is there for your personal possessions? Are there extra features?

Be prepared to tell the insurance company

- Where the house is located;
- What kind of construction (such as brick or wood);
- When the house was built;
- How much the house is worth; and
- How close are you to a fire station.

After each conversation, write down the date and time of your call, who you spoke to, what you were asked, and what you were told. If no one returns your calls, write that down too.

Know When To Suspect Discrimination

One way in which insurance companies avoid doing business with certain people, or people living in certain neighborhoods, is not to return their calls. Another form of discrimination found in the insurance industry is charging some people more for insurance. Sometimes that can be legitimate, if one property carries a higher risk than another. But insurance companies make some assumptions that may not be true.

They assume that some neighborhoods carry a higher risk than others. They may find all kinds of ways to avoid selling insurance in certain neighborhoods. Some examples which may be violations of the Fair Housing Act are when:

- They may cancel the policy the first time you have a claim, or simply not renew it.
- They may refuse to give you replacement coverage.
- They may charge so much that you won't buy their insurance or you will buy less coverage.
- They may try to discourage you by refusing to give you a quote without inspecting the property.
- They may refuse to insure houses with flat roofs, or with other characteristics that are only found in certain neighborhoods.
- They may refuse to insure houses worth less than certain amounts, like \$40,000.
- They may say your house is too old to insure, even if it is in good condition.
- They may insist on running a credit check before they issue a policy.
- They may simply tell you they don't insure properties in YOUR neighborhood and refer you to another company.

Insuring Your Home

Anyone who buys a home and has it financed will be required to seek homeowners' insurance. If your down payment is less than 20% of the loan, you will also have to pay mortgage insurance. Insurance is an important part of owning a home. You need to be protected in case anything happens to your house or possessions - and the bank or mortgage company that lends you the money to buy the house will insist on insurance, to protect their own investment.

Homeowners' insurance can seem complicated, but if you know what to look for you can find a good policy. Become familiar with the terms and language in a policy, and shop around for the best coverage available.

Unfortunately, housing discrimination is found even in the insurance business - especially if you live in certain neighborhoods. The biggest problems are cancellations, non-renewals, and differences in the cost and quality of coverage. The best type of coverage to have is one that not only covers the building and the contents of your home, but replaces the building and contents at today's cost in case of a fire or other perils.

**Call FHAC's hotline
904-356-8371
Outside (904):
1-800-411-3617**

- ▶to report housing discrimination
- ▶to request a fair housing presentation

Comparative Insurance Checklist

	Company #1	Company #2
Name of Company		
Agent Name		
Address/Phone #		
House Location		
Coverage Type		
Cost		
Deductible		
Renewal Date		

	Company #3	Company #4
Name of Company		
Agent Name		
Address/Phone #		
House Location		
Coverage Type		
Cost		
Deductible		
Renewal Date		

Comments by Agent _____
