



Maryland
INSURANCE ADMINISTRATION

CONSUMER ADVISORY

HOMEOWNERS INSURANCE: UNDERSTANDING YOUR DECLARATIONS PAGE

When you receive a copy of your homeowners insurance policy - whether for the first time or at renewal - you will see a lot of different documents. Some will be forms that are part of the actual policy itself and describe what is or is not covered. Others will be legal notices required by law. In addition to these documents, you will also find a Declarations Page (dec page). The dec page - which is often within the first few pages of the package - is the part of your policy that is specific to you and provides important information about your policy limits for each type of coverage.

The dec page will show the name of the insurer and the name of your insurance producer (agent or broker), the insured's name(s), and the address of the insured location. It may also list your mortgage company, if there is one, as an "additional insured". It is important to be sure that all of the information listed on the dec page is correct. If you have refinanced, your mortgage was sold, or you have paid off your mortgage and this information is incorrect, it is very important that you notify your insurer so this may be corrected. If there is a claim, generally the mortgage company will be included on any settlement checks if it is listed as an additional insured on the policy.

The dec page will also list your coverage amounts and the premium associated with each. The first coverage listed is typically Coverage A - Dwelling. This amount is the estimated cost to rebuild your home if it is considered to be a total loss caused by a covered peril or cause of loss. This is not always the real estate value.



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To make sure your home is properly insured, contact your insurer or insurance producer, who can run a replacement cost calculation and give you a quote for actual cash value coverage versus replacement cost value coverage. To learn more about ACV versus RCV, please see the Maryland Insurance Administration's brochure, Consumer Guide to Homeowners Insurance at:

<https://insurance.maryland.gov/Consumer/Documents/publications/homeownersinsguide.pdf>

The dec page will also list your coverage amounts for:

- Coverage B – Other Structures, which generally provides coverage for structures that are not a part of the house such as a stand-alone garage, shed, fence, etc.;
- Coverage C – Personal Property, which generally provides coverage for loss or damage due to a covered peril to personal property, such as clothing and furniture; and
- Coverage D – Loss of use, which generally provides coverage for additional living expenses if your home is unlivable as a result of a covered loss.

- 1 POLICY PERIOD**
When coverage begins and ends.
- 2 COVERAGES, PROPERTY AND LIABILITY LIMITS**
This contains a list of what is covered (the dwelling, personal property, etc.) and the amount of that coverage. The limits are the most your policy will pay for each claim that is filed.
- 3 INFLATION COVERAGE INDEX**
An optional coverage you can purchase that will automatically increase the amount of insurance coverage on your home. Ask your agent or company to learn more.
- 4 DEDUCTIBLE**
The part of the insurance claim you are responsible for when you file a claim.
- 5 POLICY PREMIUM**
The amount you pay for insurance coverage for the policy period.
- 6 DISCOUNTS**
Your company may reduce your premium if you meet certain conditions that are set by the company. For example, having your automobile and homeowners policies with the same company may reduce your premium. Ask to make sure you are receiving all the discounts for which you qualify.
- 7 FORMS, OPTIONS & ENDORSEMENTS**
For an additional fee you may be able to purchase additional coverages for your policy. Optional coverages and endorsements may be used to extend or limit your policy.

Your Insurance Company
3535 Second Street
Company Town, USA 54321

Policy number: XX-XXXXXX-XX
Policy period: 6 months
Effective date: January 1, 2015
Expiration date: July 1, 2015

Homeowners Insurance Policy <SAMPLE>

Named Insured	Address	Mortgagee	Address
John E. Doe	123 E. Main Street Insured Town, USA 12345	Bank of USA	1212 First Street Company Town, USA 54321

XYZ Insurance Company considers your claims history when determining whether to cancel or to non-renew your insurance policy.

Coverages & property	Liability limits	Inflation coverage index	XXX.X
SECTION I			
A Dwelling	\$250,000	Deductibles All peril \$2,000	
B Dwelling extension (garage)	\$25,000		
C Personal property	\$125,000		
D Loss of use	Actual loss sustained		
SECTION II			
L Personal liability (each occurrence)	\$300,000	In case of loss under this policy, the deductible will be applied per occurrence and will be deducted from the amount of loss. Other deductibles may apply – refer to your policy.	
M Medical payments to others (each person)	\$2,000		
Loss of settlement provisions (see policy)			
A1: Replacement cost – Similar construction			
B1: Limited replacement cost – Coverage B			
Forms, options and endorsements			
Replacement cost coverage	xx-xxxx	Policy premium \$1,000	
Mold, fungus, wet rot, dry rot or bacteria	xx-xxxx		
Ordinance or law coverage:			
10% of Coverage A	xx-xxxx		
Earthquake excl. masonry veneer	xx-xxxx	Discounts applied	
Sewer, water backup coverage:			
\$10,000/\$500 deductible	xx-xxxx		
Increase dwelling, up to \$50,000	Option XX	Home/Auto	
Jewelry and furs, \$5,000 each	Option YY		
Claim record/Customer longevity			

Your policy consists of this page, any endorsements and the policy form. Keep together.

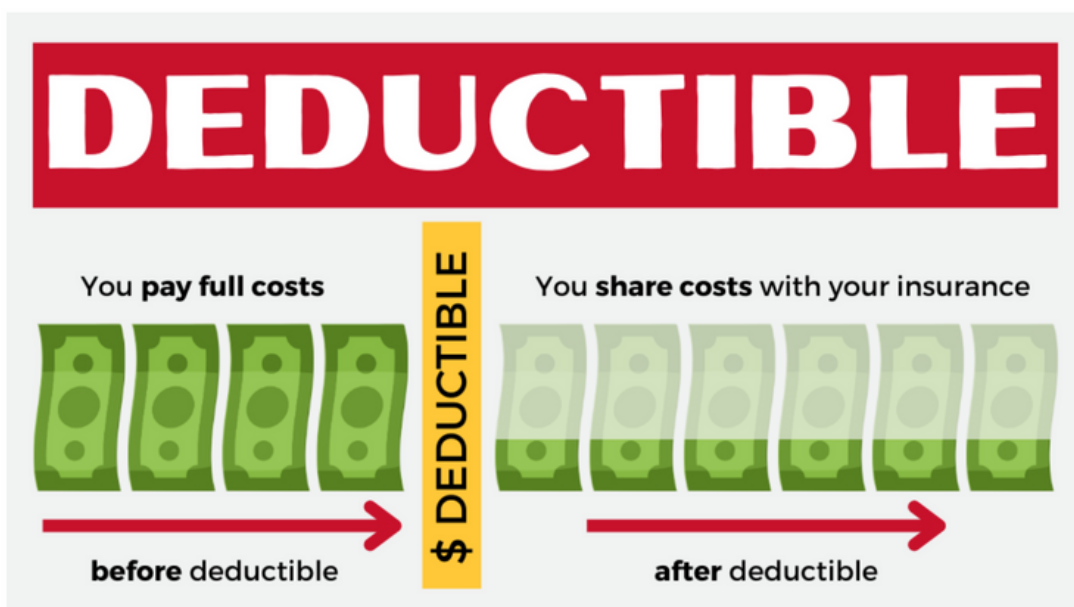


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The amounts of each of these coverages will usually be based upon a percentage of that Coverage A. You will need to read the policy forms though to understand what is and what is not covered under each type of coverage for your policy.

The next coverages shown on the dec page will generally be liability coverage and medical payments to others. While the terms of the policy will define the scope of these coverages, generally liability coverage protects you in case someone is injured on your property as a result of negligence on your part. Liability coverage generally pays for attorney's fees and any settlement amount up to policy limits which are indicated on the dec page. Medical payments to others generally pay medical costs for injuries sustained while someone is on your property, without the need to file suit, up to policy limits state on the dec page. This coverage generally does not apply to anyone living at the insured location.

The dec page will also indicate the policy deductible(s). There are three different types of deductibles. The first type is a flat, all peril deductible. This will be a set amount that you, the policyholder, will pay out of pocket before there is any payment under your policy. This amount is a set dollar amount, such as \$1,000, \$2,000, etc. The second type is a percentage deductible. This is a percentage of the amount of your dwelling coverage (the Coverage A policy limits shown on the dec page), not a percentage of the claim. For example, if the Coverage A policy limits amount is \$200,000 and the deductible is 5%, the deductible would be \$10,000. The third type of deductible is a combination of the first two. Some policies have a percentage deductible for a specific cause of loss, like damage caused by a wind storm, and a flat deductible for all other covered perils like a fire.



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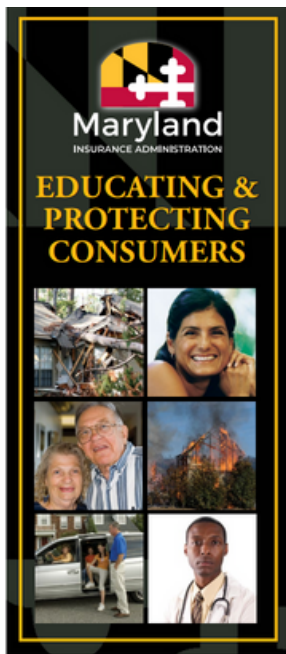
Finally, the dec page will list any endorsements, like water/sewer backup coverage, ordinance and law coverage, mold coverage and replacement cost coverage that may be included in the policy. The amount of the coverage limits will be listed as well. But to understand the terms of coverage for these additional protections, and any others listed on the dec page, you would need to read the forms and endorsement(s) provided with your policy.

It is very important that you review the Declarations Page as soon as you get it to be sure it is correct and that you know what your policy will cover. If you see any incorrect or missing information, you should contact your insurer or insurance producer immediately. If you want to learn more about dec pages, please see the Maryland Insurance Administration's brochure, Understanding Your Homeowners Declarations Page at:

<https://insurance.maryland.gov/Consumer/Documents/publications/understandinghodeclarationspage.pdf>

For additional information regarding homeowners insurance, please visit the Maryland Insurance Administration's website at insurance.maryland.gov or call 410-468-200, or toll free at 1-800-492-6116.

ABOUT THE MARYLAND INSURANCE ADMINISTRATION



The Maryland Insurance Administration (MIA) is the state agency that regulates the business of insurance in Maryland. If you feel that your insurer or insurance producer acted improperly, you have the right to file a complaint. The MIA can investigate complaints that an insurer or insurance producer has:

- Denied or delayed payment of all portions of a claim
- Improperly terminated your insurance policy
- Raised your insurance premiums without proper notice or in excess of what the law allows
- Made false statements to you in connection with the sale of insurance or the processing of insurance claims
- Overcharged you for services, including premium finance charges

Contact the Maryland Insurance Administration at:

200 St. Paul Place, Suite 2700

Baltimore, Maryland 21202

410-468-2000 | 800-492-6116 | 800-735-2258 TTY



<https://insurance.maryland.gov/Consumer/Pages/FileAComplaint.aspx>



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