



What homeowners insurance covers

While the only way to know, for certain, exactly what your homeowners insurance policy covers is to read it thoroughly, homeowners insurance generally protects both your home and possessions from a wide variety of perils, or causes of damage.

A typical homeowners insurance policy protects you in three major areas:

- The structure of your house
- Your belongings
- Your personal liability for injury and property damage to others

A standard homeowners insurance policy provides coverage to repair or replace your home and its contents in the event of damage. That usually includes damage resulting from fire, smoke, theft or vandalism, or damage caused by a weather event such as lightning, wind, or hail. Other covered damage could come from external forces like a falling tree. Usually, earthquakes and floods are specifically excluded, and require the purchase of additional insurance.

Most policies explicitly list what is covered, so read your policy thoroughly.

The most common type of homeowners insurance is an HO-3 policy. HO-3 policies have **open perils** coverage on the structure of a house and **named perils** coverage for your personal property.

Open perils coverage means that you're covered for all causes of damage except for those that are specifically excluded. Common exclusions include war, earthquakes, and nuclear explosions, but check your policy to be sure.

If you have named perils coverage for your home or personal property, it's likely to include the following common named perils:

1. Theft
2. Fire or lightning
3. Windstorm or hail
4. Smoke
5. Falling objects
6. Weight of ice, snow, or sleet
7. Vandalism and malicious mischief
8. Explosions
9. Riots and civil disturbances
10. Aircraft and vehicles
11. Volcanic eruption
12. Overflow or freezing of pipes, heating, A/C, fire sprinkler, or other household appliances
13. Tears, cracks, and burns in water, heat, A/C, or fire sprinkler systems
14. Damage from electrical currents in appliances and wiring

Because insurance regulations vary from state to state, it's vital that you become familiar with the named perils in your policy.

