



## **For Immediate Release**

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# **PROTECT YOUR HOLIDAY PURCHASES**

*Before You Shop for the Holidays, Understand Existing Insurance Coverage and Store-Offered Extended Warranties*

**Jackson** — As Thanksgiving approaches, many consumers are making their holiday gift lists and keeping an eye out for Black Friday and Cyber Monday deals, especially for items like flat-screen televisions, exercise equipment, gaming consoles and computers.

You may be excited about bagging a bargain, but before you're asked if you want extra protection at the check-out, find out if you're already covered for damage or loss.

"Now is a great time to find discounts on popular items, especially electronics, and it is equally important to insure the investment," Commissioner of Insurance Mike Chaney said.

"Consumers should know what their existing insurance covers before purchasing additional protection, like an extended warranty."

### **What to Check Before Making Holiday Purchases**

The Mississippi Insurance Department offers the following tips to help you decide whether to buy additional protection.

**Find out what your insurance policy already covers.** The first thing to check is your homeowners or renter's policy. Find out what household items are covered under your existing insurance and if there are exemptions. Your insurance usually protects against theft or damage, though there may be caveats about what is covered.

"Many homeowners and renter's insurance policies cover electronics and other expensive goods up to a certain limit," said Chaney.

"It's important to do your research ahead of time so you make financially responsible choices at the register and avoid spending more than you need to."

The amount of coverage and the nature of coverage vary with each homeowners and renter's insurance policy. If your policy has actual cash-value coverage, you will be reimbursed for the

current cost of the property at the time of the claim, minus the deductible. If you have replacement cost coverage, you will be reimbursed for the full value of the replacement item.

Know the stipulations of your policy or talk to your insurance agent before making your purchase to avoid doubling up on coverage. Ask your agent about coverage amount limits to make sure your new purchases don't exceed your policy threshold. Certain valuables might be better covered with an insurance rider or additional policy, depending on the circumstances. Your agent can help you assess the benefits and costs when considering this option.

If you are a renter and don't have renter's insurance, you might consider this kind of protection. Although your landlord should have insurance for structural damage to the building, this coverage does not extend to your personal property. The average renter's insurance policy costs between \$15 and \$30 per month. Replacing all of your possessions will cost much more.

**Understand the Difference Between Insurance and Warranties.** Part of the holiday shopping tradition is the extended warranty sales pitch at check-out. However, a warranty is not insurance and does not cover damage in the way a homeowners or renter's policy might.

A manufacturer's warranty offers a certain kind of guarantee to the quality or performance of an item for a specified time period. Some are lifetime warranties; others are one- or two-year warranties that cover malfunctions or repair needs. Warranties vary by product, model and manufacturer.

In addition, some retailers offer extended warranties that typically extend the original manufacturer's warranty or provide additional perks and services, such as in-store repair. Unlike a homeowners or renter's policy, these warranties do not cover the cost of replacing the item if it is stolen, but some will cover certain kinds of damage to the product or product malfunctions.

**Update your home inventory.** Keep a list of electronics and other valuable household items with model numbers and receipts. As you buy, give away or sell belongings over time, your coverage needs can change. Checking your inventory regularly can help you save money or avoid being under-insured. A home inventory can also help when filing a claim after a loss.

### **For More Information**

"Your existing insurance policies might not cover all possible damages, but it's important to be informed when weighing the costs and benefits of additional warranties," said Chaney.

"These situations can be complicated – and often stressful when you're pressed for time at check-out – but you can always call your insurance agent ahead of time to find what options you have for protecting bigger or more expensive items."

If you have questions or are confused about your insurance coverage, contact the Mississippi Insurance Department (MID) at 1-800-562-2957 or visit the MID website at [www.mid.state.ms.us](http://www.mid.state.ms.us).