

## FOR IMMEDIATE RELEASE

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## How Can Insurance Help Protect Your Financial Future?

JACKSON, Miss. – Auto insurance, homeowners insurance, and other coverage can help you manage financial hardship after a disaster or loss. The Mississippi Insurance Department shares some things you can consider when it comes to insurance and your money.

**If a loss happens and you file an insurance claim, will you be able to afford your deductible?** A deductible is the amount you pay out of pocket after an insured loss before your insurer pays its share. Some risks, like named storms, wind, hail, and earthquakes, may have separate deductibles. Check with your insurance company to find out more about your deductible.

**When you buy an insurance policy, shop around and ask what discounts are available to make your plan more affordable.** Some insurance companies offer discounts when you buy both your home and auto insurance with them. You may also qualify for discounts for things like taking a defensive driving course, being claims-free, driving a vehicle with advanced safety features, or having an account with an affiliated credit union or association. For homeowners insurance, ask your agent about discounts for installing smoke detectors, burglar alarms, monitored security systems, deadbolt locks, and sprinkler systems.

**Know what is and isn't covered by your policy.** Did you know that standard homeowners insurance policies typically don't cover flood damage? You may likely need a separate flood insurance policy or add-on coverage. If a flood does damage your home, this could ultimately save you money. According to FEMA, just an inch of water in your home could cause up to \$25,000 worth of damage. See the NAIC Consumer Insight, "Do I Need Flood Insurance? Why You Should Consider a Flood Policy to Protect Your Home," for more information. Additionally, homeowners and renters insurance policies typically do not cover sewage backups, water main breaks, or earthquake damage.

**Consider a life insurance policy.** Life insurance policies pay money (benefits) to named beneficiaries in the event of your passing. When considering a life insurance policy, see the NAIC Consumer Insight, "What Type of Life Insurance Is Right for You?" which explains different types of coverage, and more.

**Do you have actual cash value coverage or replacement cost coverage?** When you file a claim with your homeowners or renters insurance policy, your out-of-pocket expenses will vary based

on the type of coverage you have. If you have actual cash value (ACV) coverage, your policy will pay the cost to repair or replace your home or personal property based on its value, considering its age and wear and tear (depreciation). ACV coverage pays for your loss, but it often does not pay enough to fully replace your property or repair the damage.

If you have replacement cost value (RCV) coverage, your policy will pay the cost to repair or replace your damaged property using materials of a like kind and quality. The NAIC Consumer Insight, "[What's the Difference Between Actual Cash Value Coverage and Replacement Cost Coverage?](#)" shares more information about the different coverage types.

**Mitigate your risk.** You can make low-cost or free changes to your home that will make it more resilient against severe weather and reduce the cost of future claims. For example, you can clear debris from gutters, remove decaying tree limbs and shrubbery, remove tree limbs that hang over your home, and remove combustible materials from under your deck. The Insurance Institute for Business and Home Safety (IBHS) [has guides](#) to help you mitigate your risks.

The Mississippi Insurance Department can help you determine which type of coverage is right for you and answer any questions you may have. Contact us by phone at 1-800-562-2957 or 601-359-2453 or email [consumer@mid.ms.gov](mailto:consumer@mid.ms.gov)

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