

When To File A Homeowner's Insurance Claim

Whether it's damage due to a natural disaster or an unexpected accident or break-in, knowing when you should file a home insurance claim and what the consequences will be either way, is important. So when should you file a home insurance claim and what will that mean for your future rates? Here are some things to consider before contacting your insurance company.

Assess Your Options

The first thing to consider when making a home insurance claim is whether your current policy will cover the claim or not. You should know exactly what your insurance covers before you ever need to make a claim; however, checking on the specific claim you are going to make-before contacting your insurance company-will give you the upper hand.

Once you have determined whether you are eligible or not, the next thing to consider is whether a claim is necessary. There may be instances when the deductible for your particular claim is higher than the costs, and in that case a claim would be a waste of time. You may also want to consider if the overall cost is worth any potential rate increases that may result from a claim.

Contacting Your Insurance Company

If you do decide to make a claim, arming yourself with all the necessary information will make the process go quickly and smoothly. Be sure you have all your insurance policy documents readily available, as well as any documents that relate to the claim-repair estimates, police reports, and photographs. It is also a good idea to keep track of all contacts with your insurance provider, in case a dispute occurs.

In most cases, making a claim on your home insurance is a good idea. Keeping calm, organized, and informed can make the process stress free as well.

When To File A Homeowner's Insurance Claim

In some cases it is very obvious when a homeowner's insurance claim should be filed. If there has been a fire, a burglary, or major vandalism, there is no doubt you should call your insurance company right away. But in other cases, some small claims might be best kept off your insurance records. It all depends on the cost of the damage, the amount of your deductible, and how it could affect your future premiums.

How Much Is Your Deductible?

If the amount of the damage or loss is less than or even right around the amount of your deductible, there is really no point in filing a claim. You won't really get anything out of it other than a claim on your record and a potential increase in your monthly premiums. Whenever something occurs such as damage to your home, get an estimate on the repair before you call in a claim. It might not be worth it to get the insurance company involved. It's a personal choice how far beyond the deductible amount the cost of repair or replacement needs to be before the claim is worth it. Remember that it can hurt you in the future if you make too many small claims.

Increases In Premiums And Worse

The more often you use your homeowner's insurance to make a claim, the more likely it is your rates will rise. Worse than that, if you have too many claims your insurance company may set your policy to non-renew. That means they have decided that you are too high a risk to insure any further and will not allow you to renew your policy when it expires. Although few people make enough claims for this to happen, a lot of small claims can get you there.

Before you make a claim against your homeowner's insurance, make sure that it is worth it financially, that you will actually get something out of the claim, and that it won't hurt your future with the insurance company. Increases in rates are not unusual and will usually go back down again after a certain period claim-free. When you decide to make a claim, make sure that the increase in premium balances out against what the insurance company will pay out on the claim. If the loss is a small amount in relation to the deductible, consider paying it out of pocket rather than filing a claim.