

Special Property, Special Coverage – Part 2

Part one of this article revealed that the typical homeowners policy contains substantial coverage limitations for certain types of property. The modest insurance protection affects property that is highly vulnerable to loss because it is targeted for theft and/or has a high level of value in relation to its size. Examples are gold, money/securities, precious metal-plated dinnerware, jewelry, furs, stamps, electronic property, business property, watercraft and firearms.

Handling The Limited Coverage Situation

Insurance companies are happy to provide more coverage, if they are paid for their trouble. Specifically, limited coverage can be handled using the following methods:

Increased Coverage C Endorsement - this form is only appropriate for property saddled with limited coverage for theft losses. This form is attached to a basic policy and it increases the theft insurance limit (i.e. for jewelry from \$1,500 to \$5,000).

Scheduled Personal Property Endorsement - this form is used for increasing coverage for property that has protection reduced for all sources of loss. The property is removed from the basic policy's limits and is covered exclusively by the endorsement. This form takes more work since each item of property has to be listed and assigned a particular insurance limit.

Inland Marine Property Floater - this method works like the personal property endorsement, except that it is a separate policy. This alternative is more appropriate for persons owning substantial amounts of high-valued property. The coverage must often be purchased from specialized insurers and comes at a high cost. In order to qualify for such coverage, you may need to meet special circumstances such as having a residential alarm system or make use of vault storage.

Another Advantage Of Special Handling

In order to arrange coverage under a schedule or an inland marine policy, the property must be properly valued. This often involves appraising the property. It's very helpful to have an expert source establish the current value of jewelry, furs or other valuable possessions. In fact, such property should be appraised every two or three years since their values often increase over time.

Do you still have questions about property that needs special handling? Talk to an insurance professional about your needs and make sure that you have proper protection.

Please refer to part 1 for more information on restrictions faced by certain types of personal property.

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