



State of Connecticut

Insurance Department

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COMMISSIONER

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PROPERTY INSURANCE

Protecting Your Summer Investment

Hartford CT – If you're planning a trip to a vacation home, a time share, a rental property, or a home exchange this summer, keep in mind these properties might have specific insurance needs. But be careful not to waste money by over-insuring your summer vacation. Connecticut Insurance Commissioner, Thomas R. Sullivan, and the National Association of Insurance Commissioners (NAIC) offers these tips to help you prepare a well-planned vacation that includes insurance protections.

Renting a Vacation Property or Participating in a Home Exchange

If you're renting a property or exchanging homes with another family this summer, your homeowners insurance policy might extend to the property where you'll be staying. Generally, as a renter you are not responsible for damages caused by unavoidable accidents, such as faulty plumbing. However, there are circumstances where you could be considered partially responsible for damages due to negligence, and you may be expected to pay for them.

Personal belongings you take on vacation - such as a laptop, camera, or clothing - are generally covered by your primary homeowners policy. Read your homeowners policy before going out of town so that you know if there is a maximum amount your policy pays for a loss. If you don't feel you have enough insurance for the belongings you plan to take, you may consider additional or temporary personal property coverage.

If you have any concerns about advice you receive from an insurance agent or company regarding additional or temporary coverage, it's always a good idea to STOP before signing any paperwork or writing a check; CALL the Connecticut Insurance Department; and CONFIRM that the insurance company and agent is legitimate and licensed in the state. To contact the [Connecticut Insurance Department](http://www.ct.gov/cid) visit www.ct.gov/cid or call 800-203-3447.

Secondary Home Insurance

If your secondary home or vacation home has a mortgage, your lender may require homeowners insurance just as it would for your primary residence. However, there may be additional stipulations in the policy because you only reside in the home for part of the year. Like with your primary homeowners insurance, it is important to review the policy for your secondary home every year and keep an up-to-date home inventory in case you would need to file a claim following a loss. The [Connecticut Insurance Department](http://www.ct.gov/cid) offers an easy-to-use, downloadable [home inventory checklist](#) on their Web site.

Even if you do not plan to spend time at your vacation home, you might consider maintaining coverage for the structure, contents, and your liability in the event that someone gets injured on your property while you're not there.

When reviewing your policy, remember the insurance requirements in another area may be different than where your primary home is located. Talk with an insurance agent in the area of your vacation property if you think you might need flood insurance or additional coverage against wind, hurricanes, or earthquakes.

"Named Perils" Coverage

Homeowners insurance for a secondary home can have significantly different terms than your primary home's insurance policy. How a secondary property is used and how often it is occupied during the year determines the type of coverage. Insurance for these properties is typically written on a "named perils" basis.

A "named perils" policy covers losses for events specifically outlined in the policy, such as lightning, explosion, theft, or smoke damage.

Homeowners policies also typically provide liability coverage in case a guest is injured on your property or if you are responsible for damage to another's property. Your homeowners policy might also include medical payments coverage that would pay an injured person's medical bills to a stated limit, regardless of negligence.

Before purchasing a policy, make sure you completely understand the coverage terms and limitations. If you have questions about your insurance requirements, contact a consumer representative at the [Connecticut Insurance Department](#) at 800-203-3447.

Additional Options for Secondary Home Policies

There are several ways to further protect a vacation home that you may want to consider. They include:

- General contents coverage for loss or damage to belongings permanently kept at the vacation home.
- Sewer back-up coverage or flood insurance because water damage can be even more extensive in a home when you aren't there to either stop the flow of water or quickly remove water-damaged property. Be aware that flood insurance has a 30-day waiting period. For more information about flood insurance, contact the National Flood Insurance Program at www.floodsmart.gov or 1-888-379-9531.
- Out buildings might have a limited amount of coverage in a secondary homeowners policy. Review your insurance policy to make sure you are protected against damage to detached buildings - such as garages, sheds, and boathouses - and their contents.
- Insurance companies might require homes with swimming pools to have special safety measures. These could include the installation of fencing, a pool cover, or a locked gate. An insurance company could deny coverage or cancel your policy if you do not follow the policy safety guidelines or do not inform the company that you have a pool.

Umbrella Policies

If you have an umbrella policy in place to provide excess liability coverage, the policy should automatically extend to any new property you purchase or rent. To be sure the umbrella meets your liability expectations and that there are no exclusions in the policy that might be triggered by the new property, read your policy before making your down payment.

Waterfront Vacation Homes

The personal property coverage of your primary or secondary homeowners policy might cover a small boat for \$1,500 or less in physical damage. However, coverage for your liability risk is limited. Insurers generally provide liability insurance on small sailboats (26 feet or less) and powerboats with small motors (50 hp for inboard and inboard/outboard and 25 hp for outboard motors). However, a boat of any significant size will be excluded from your homeowners policy for both property and liability coverage. Read your homeowners policy carefully before you put your boat in the water.

Personal watercrafts will likely require a separate boat insurance policy. You might be able to purchase this policy from your homeowners insurer or you might choose to use an insurer that specializes in boat insurance. Get quotes and compare policies from several different places to get the best deal.

Some important questions to answer before you head out on the water:

- Are you insured if someone other than yourself is operating your boat or personal watercraft?
- Are there legal age restrictions on who may operate the boat or personal watercraft?

- Is towing skiers or inner tubes covered by your policy?
- Is special equipment, such as fishing gear, covered by your policy?
- Is towing coverage included in your policy?

It is also important to note that an Accident Reporting Form must be completed and sent to the Department of Environmental Protection after a boating accident resulting in death, injury, disappearance, or damage greater than \$500. To learn more about [reporting boating accidents](#) visit [Department of Environmental Protection Boating Division](#) <<http://www.ct.gov/dep/boating>>.

Renting Your Vacation Home to Others

If you hope to make a little extra cash this summer renting your vacation home when you aren't there, first review your insurance policy. It may be wise to purchase additional liability, bodily injury, and medical payment insurance to cover your risk when you or your family is not in the home.

Also be aware that your homeowners coverage might not extend to damage caused by a renter and/or their guests. Read the policy closely to ensure your coverage meets your expectation.

More Information

- Call the Connecticut Insurance Department toll-free at 800-203-3447 or direct at 860-297-3900.
- Visit the Connecticut Insurance Department Web site at www.ct.gov/cid.
- For more information about health, home, life and auto insurance options, and tips for choosing the coverage that is right for you and your family, go to www.insureUonline.org.

ABOUT THE CONNECTICUT INSURANCE DEPARTMENT

The mission of the Connecticut Insurance Department is to serve consumers in a professional and timely manner by providing assistance and information to the public and to policy makers, by regulating the insurance industry in a fair and efficient manner which promotes a competitive and financially sound insurance market for consumers, and by enforcing the insurance laws to ensure that consumers are treated fairly and are protected from unfair practices. For more information, visit the Connecticut Insurance Department at www.ct.gov/cid.

About the NAIC

Formed in 1871, the National Association of Insurance Commissioners (NAIC) <<http://www.naic.org>> is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and five U.S. territories. The NAIC has three offices: Executive Office, Washington, D.C.; Central Office, Kansas City, Mo.; and Securities Valuation Office, New York City. The NAIC serves the needs of consumers and the industry, with an overriding objective of supporting state insurance regulators as they protect consumers and maintain the financial stability of the insurance marketplace. For more consumer information, visit [insureUonline.org](http://www.insureuonline.org) <<http://www.insureuonline.org>>

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