

# The Long And Short Of Homeowners', Health Insurance

Last week I got caught up in the discussion about auto insurance and did not have room to finish the topic of insurance coverage. This week I am going to talk about homeowner's insurance and health insurance. I should be finished with the whole topic of insurance next week when I discuss life insurance.

## HOMEOWNERS INSURANCE

Homeowner's or Renter's Insurance has separate parts to it, much like auto insurance. It has liability coverage, which will protect you from lawsuits arising out of injuries suffered by people on your property.

The other part of the coverage protects your personal possessions from theft and your property from damages due to fire, hurricanes, etc. This is the coverage that is important to most people and this is the area where there is the most confusion.

The first area of confusion begins with the premium. Premiums for homeowners insurance are based on several factors. Some of these factors are:

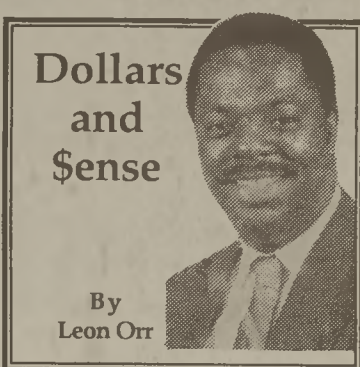
1. The value of your house.
2. The age of your house.
3. The crime rate in the surrounding neighborhood.
4. Whether the area is prone to natural disasters, such as hurricanes, tornado or earthquake.
5. The type of construction of house (i.e., wood or brick)

In addition to these factors affecting the premiums there are other factors such as deductibles and form. Form refers to the policy itself. Homeowners insurance comes in different versions called forms.

The first form is basic coverage, and it covers damage by fire, lightning, windstorm, hail, vandalism, riots, smoke and explosions. It also pays for other peoples vehicles, volcanic eruptions, theft, damage by aircrafts and glass breakage.

The second form is broad coverage. It covers everything basic coverage does and adds: falling objects, the weight of ice or snow, water or steam escaping from plumbing, heating or air conditioning systems, the freezing of those systems and home appliances and damage from short circuits or power surges.

The most popular form is Special coverage: This form provides more coverage than either basic or broad. It guards your house against all other perils



Dollars and Sense

By Leon Orr

not covered by broad or basic unless specifically excluded by the policy. Common exclusions are floods, sewer and drain backups, earthquakes, war, and nuclear accidents. To get this same type of coverage for your personal property you buy what is known as an endorsement.

Some companies add exclusions in certain areas. For example, you may be excluded from hurricane coverage if you live in Florida. No homeowners coverage includes flood coverage. Generally you have to get a separate policy through the National Flood Insurance program.

Even for excluded coverage you can get coverage, but it usually is at an extra cost.

The other complex area in dealing with homeowner's insurance becomes apparent when you try to set the dollar figure for coverage. The coverage should be large enough to pay for rebuilding your house. It should also fully cover much likelier partial losses.

Insurance companies will typically pay you the cost of repairing your house up to the dollar amount of your policy. There is one small catch to this general proposition. They will do this provided the dollar amount of your policy equals 80% or more of the cost of rebuilding your house.

This proposition works in this fashion. Suppose you have your house insured for \$60,000. Because of Hurricane Hugo you had damage to your house of

\$40,000. Due to inflation and general appreciation the value of your home is now \$100,000.

In this situation the \$60,000 worth of coverage is less than 80% of the value of your home. The company will then use a formula which says \$60,000 is only 75% of the required 80% or \$80,000. Because it is only 75% of the required coverage, they will only pay for 75% of the \$40,000 in damages or \$30,000.

It is because of this that you should review your homeowner's coverage every few years to make sure you have enough coverage. Another way of making sure you have enough coverage is to buy a guaranteed replacement cost policy.

The guaranteed replacement cost policy is more expensive, but it is worth the extra expense to make sure you are covered. With this type of policy your coverage will increase along with the value of your house.

The one catch to this type of policy is that if you live in a home more than 40 years old you may have trouble getting this type of coverage. The reason for this is that a lot of older houses have architectural designs and workmanship that would be quite expensive to replace now. The best thing to do is talk it over with your agent.

All standard policies will cover your home's contents (your personal property) for half the dollar limit you place on the house. You may want to pay a little extra here in order to get replacement value coverage on your

home's contents.

This type of coverage will prevent the company from paying you for a used couch when something happens to your 5-year old couch. Replacement value coverage will mean that they pay for a new couch not a used one.

Other coverages you can obtain in your policy include separate provisions or floaters for special coverage on items such as jewelry, furs, silverware or tools. These are needed when you want coverage beyond the standard amounts.

Renters insurance generally only covers furnishing and personal possessions. Therefore all that you need to worry about here is the replacement value of

your possessions.

Your homeowners insurance also has liability protection as stated before in this article. Generally this coverage is for \$100,000. You may want to raise those limits or even get an umbrella policy, as I discussed last week, if you have substantial income or assets.

I see that I have run out of

room again this week. I will get through insurance next week even if I have to shorten my article. I hope you continue to read and bear with me. Until next week: Think and Grow Prosperous.

Leon Orr is a financial planner and can be reached C/O The Charlotte Post or by calling (704) 525-2063.

For Information On How To Get The Best News In Town Call:

**376-0496**

## We Can Give You A New Attitude For 1990



This year give someone the blues or the greens, or the hazels, even the aquas or the new sapphires. Now also in misty gray and chestnut. This year give them the chance to change their eye color. DuraSoft colors gift certificates, for vision correction or just for fun.



**DR. PAULA NEWSOME**  
1812 Lyndhurst Ave.  
Charlotte, N.C. 28203  
375-EYE-5

DuraSoft Colors for a New Year

Braces For Children & Adults

**DR. PAUL A. MCGILL,**  
D.D.S., P.A.  
"Practice Limited To Orthodontics"  
(704)375-7005

1404 Beattles Ford Rd.  
NorthWest Gateway Professional Center  
Suite 200 • Charlotte, North Carolina 28216



# STRICTLY BUSINESS

BLACK BUSINESS DIRECTORY

Food Service

**Windows on Trade**  
Merchandisers of the finest in culinary delights.  
129 West Trade Street  
Charlotte, NC 28202  
704/332-2263-704/332-2246

Alterations

**Ellerbe's Fashions Ltd.**  
Custom Dressmaking  
LaVerne Ellerbe  
Owner  
Tuesday-Friday 10-6 • Saturday 10-4  
4801-C N. Tryon Street  
704/598-0852

Cleaning Service

**MOBLEY PROFESSIONAL CARPET CLEANING SERVICE**  
Eddie & Phillip Mobley  
Owner  
Residential and Commercial  
Carpet and Furniture  
379-0003(B)-525-2208(H)  
377-9195(O)

Specialty Items

**Balloon A Grams**  
Balloon Delivery • Decorations  
Singing Telegrams  
3903 E. Independence Blvd.  
Charlotte, NC 28205  
704/535-4726-704/537-7789

Auto

**Auto Duckling RENT A CAR**  
America's Second Car  
Matt Mitchell  
3704 Central Avenue  
Charlotte, NC 28205  
704/532-6752

Retail/Eyewear

**Avanté** We offer group rates for businesses  
Ms. DeLaine A. Vinson  
Fashion Eyewear Consultant  
Dr. Paula R. Newsome  
Optometrist  
1812 Lyndhurst Ave.  
Charlotte, NC 28203 704/375-3935

Insurance

**Allstate**  
Mary Lockett  
Account Agent  
2838-B-1-85 South Service Rd.  
Charlotte, NC 28208  
704/393-8677(O)  
704/597-0684(H)

Real Estate

**East Gate Realty Co.**  
The Name You Need To Know In Real Estate  
Mac Halrston/Larry McCorkle  
4913 Albemarle Rd. • Suite 101  
Charlotte, NC 28205  
704/536-9958(O)  
704-568-6414(H)

Black-Owned Businesses Need Your Support  
It's STRICTLY BUSINESS

Financial Services

**Delmar Capitol Group**  
ATTENTION BUSINESS OWNER!  
Receive Overnight Cash for Account Receivables... if you are doing business with Federal, State, City agencies or credit-worthy businesses.  
Call  
P.O. Box 18395  
Charlotte, NC 28218 704/568-7758

Design/Building

**PPMC** PROGRESSIVE PLANNING/MANAGEMENT CONSULTANTS  
Architectural Design/Construction  
Anthony V. Hunt  
704/333-1965

Auto

**McNAIR AUTO GLASS SERVICE**  
MOBILE AUTO GLASS REPLACEMENT  
300 W. Summit Ave.  
Charlotte, NC 28203  
CALL 704/334-9503  
"McNAIR WILL BE THERE"

Art/Custom Framing

**UBIQUITOUS GALLERY**  
Transcultural Art & Fine Custom Framing  
Almator McCray  
B.E. Noel  
1936 E. 7th St. • Charlotte, NC 28204  
704/376-6944

Food Service

**CARIBBEAN EATABLES**  
Charlotte's ONLY  
Authentic Caribbean Restaurant  
Kings Court Shopping Center  
901 South Kings Drive  
Charlotte, NC 28204  
704/343-0148

Computer Services

"Networking for the Future"  
Derrick B. Knox  
Network Specialist  
1101 Commercial Ave.  
Charlotte, N.C. 28205  
704/377-5009

Retail

**Vivian's DESIGNER COLLECTIONS**  
Vivian L. Williams OWNER  
Joyce M. Brayboy MANAGER  
Uptown-Overstreet Mall  
230 Charlotte Plaza • Charlotte  
704/333-5399

Call JALYNE STRONG at 376-0496 for information on having your business placed in the BLACK BUSINESS DIRECTORY

## Black Achievers Honored

By MILICENT LINK  
Post Staff Writer

The Fourth Annual Black Achievement Awards Banquet will be held at the Highland Junior High School gymnasium Saturday, December 2 at 6 p.m.

The officers and members of the Gaston County Organization for Community Concerns will host the annual event.

The organization's sole intent is to foster, political, educational, religious, and social concerns of the black community.

The banquet was designed to recognize one citizen from each of the 13 Gaston municipalities who have rendered dedicated service to the community.

David Moore, president of the group, said, "In order to be considered as an award recipient, one must be a resident for five years and render volunteer service to help improve the quality of life."

This year marks the second time a youth award will be presented. Michael McClinton, a sophomore at Winston-Salem State University will be the recipient.

"The award is presented to a youth that has exemplified exceptional work and leadership in education, politics and in the church," said Moore.

The following are the 1989 honorees for the Fourth Annual Black Achievement Awards Banquet: Rev. Kenneth Alexander, Belmont; Bobbie Ann Hambricht, Bessemer City; Millard Bess, Cherryville; Willie Gurganious, Dallas; Mae E. Thomas, Elfrida Brooks, Charles Costner, Jr., Elma F. Dunham, Gastonia; Jeanette Surratte, Benjamin F. Woods; Kings Mountain; Joreida R. Currence, Lowell; Queen Esther Gardner, Mt. Holly; Daisy M. Floyd, Stanley; James Alfred Lomick, Tryon; and Michael McClinton, Youth Award.

**SUBSCRIBE!**

## WHEN THESE PEOPLE INSTALL HIGH EFFICIENCY HEAT PUMPS DUKE POWER GUARANTEES YOU'LL BE COMFORTABLE.

- Albemarle
  - Lorch Plumbing & Heating
- Charlotte
  - Acosta, Inc.
  - Action Air
  - Adams Heating & Air Conditioning, Inc.
  - Air Design Systems
  - All Temp
  - American Cooling & Heating
  - Andersen Heating & Cooling
  - Bob's Heating & Air Conditioning
  - Bradham Brothers, Inc.
  - Dependable Heating & Air Conditioning
  - Dulin's Heating & Air Conditioning, Inc.
  - Engineer Ike Cooling & Heating
  - Greene Heating & Air Conditioning
  - Hackney Heating & Air Conditioning
  - Jack Kerns Heating & Air Conditioning
  - Kirkland Air Conditioning & Heating
  - Lewis Air Conditioning, Inc.
  - Maye Heating & Cooling
  - Miller Refrigeration, Air Conditioning & Heating
  - Milner Service America
  - Moore Air Conditioning
  - Morris Heating & Cooling Company
  - J.L. Patterson Co., Inc.
  - Phil Jones Heating & Air Conditioning Company
  - Pickler Heating & Air Conditioning
  - Quality Systems, Inc.
  - Ross & Witmer, Inc.
  - Singleton Heating & Air Conditioning
  - Unlimited Heating & Cooling
- Huntersville
  - American Cooling & Heating
- Mooresville
  - Arthurs Sheet Metal Co., Inc.
  - Donaldson Heating & Cooling, Inc.
  - Temperature Technology, Inc.
- Norwood
  - Witmore Heating & Air Conditioning
- Salisbury
  - Owen Leonard, Inc.
- Shelby
  - Air Control Mechanical, Inc.
  - Shelby Heating & Air Conditioning
  - Bill Shuford Heating & Air Conditioning

These are Authorized Comfort Machine® Dealers. They're among the very best in the business. They've been specially trained to properly size and properly install year-round high efficiency heat pumps, Comfort Machines. Because proper installation means you'll be getting the most efficient, most comfortable system money can buy.

That's a powerful statement. But Duke Power can back it up. If within the first year after installation, you're not comfortable, Duke Power will install a comparable heating system of your choice. Try it. What have you got to lose? Registered trademark of Duke Power Company.

