



# Understanding Home Renovation Risks

Whether you're building a new home addition, adding a feature like a swimming pool, redoing a bathroom or upgrading an electrical system, understanding and addressing possible renovation risks is critical.

## 5 Key Renovation Considerations

In the lead-up to your project, your broker can help review potential risks and concerns that may require attention. Specifically, you'll want to account for the following:

- 1 Increasing coverage limits**—Whether you're upgrading your kitchen or finishing your basement, renovations are likely to increase your home's replacement cost, meaning previous home insurance policy limits may be insufficient.
- 2 Greater liability risks**—Standard home insurance typically includes personal liability coverage, but you may need to enhance this element of your policy if additions introduce new risks. For example, if you add a swimming pool to your property, you could be held responsible if guests are injured while using it.
- 3 Additional policy needs**—When planning your project, identify additional types of insurance you may need. You may need builders risk insurance to cover temporary structures, equipment and materials, as well as personal umbrella coverage if other parties will be working on the project.
- 4 Confirm contractor insurance**—If you're hiring a contractor to work on your home, you should make sure they are bonded and insured. Ask for copies of their proof of insurance documents and verify that coverage limits and other details are sufficient.
- 5 Understand vacancy rules**—Temporarily vacating your home during construction may invalidate your home insurance, as such policies typically only apply while you're living there. Unoccupied properties are considered riskier due to a higher chance of burglaries, vandalism and other incidents.

## Stay in Touch

Keeping your insurance carrier informed about any renovation or improvement plans is critical. Failing to conduct this due diligence could leave you underinsured. Furthermore, insurers may consider canceling or issuing a nonrenewal for your policy if you don't keep them in the loop.

Contact our team today to discuss your future home projects and subsequent coverage needs.

