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Business

# Money Fix: Insurance company gotchas on cars, homes

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Knowing what increases risk can help a consumer keep costs down. Photo Credit: iStock

Insurance companies for cars and homes have



are some of the gotchas.



**Waiting can cost you.** Claims that were denied, or merely discussed with an agent but never filed, can lead to higher car and homeowner's insurance rates, according to a new report from InsuranceQuotes.com.

**You pay for your predecessor.** Believe it or not, claims made by a previous owner can raise your homeowner's insurance costs.

**Credit counts.** "Those with poor credit pay an average of 91 percent more nationwide for home or auto insurance than those with excellent credit," says Laura Adams, a senior analyst for InsuranceQuotes.com.

**Not as much protection as you think.** "There are limits for art, silver, musical instruments, furs and other valuable possessions, so you need a rider," says Amy Feller, Long Island branch manager of Chubb Group of Insurance Companies in Uniondale. And a homeowner's policy covers water that backs up through sewers and drains that originate on the premises, but not if the sewer line in the street backs up and causes the overflow. "An



handy," says Sierra Knight Magee, owner of KMI

ginia.

**Update information.** It can cost you if you make a claim after transferring a home into a trust and didn't make changes to the policy to reflect the trustee, or you didn't obtain a separate policy for the beneficiary. R. Joseph Ritter Jr., a certified financial planner with Zacchaeus Financial Counseling in Hobe Sound, Florida, says "Failing to change the policy can leave one or both parties without a chair after the music stops."



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