

# LOSING HOMEOWNERS INSURANCE

WHEN PEACE OF MIND BECOMES UNCERTAINTY



A homeowner's insurance policy helps provide financial security against damage to your home or personal property, theft, and liability claims – so when your insurer sends a cancellation or non-renewal notice, it can be disconcerting.

**TAKING IMMEDIATE ACTION IS PRIORITY TO UNDERSTAND THE REASONS FOR LOSS OF COVERAGE AND WHAT YOU CAN DO TO ADDRESS THE MATTER OR FIND NEW COVERAGE.**

## POLICY CANCELLATION, NON-RENEWAL & CONDITIONAL RENEWALS - EXPLAINED

**An insurer can cancel your policy or choose not to renew your coverage—but what are the differences?**

### POLICY CANCELLATION

Insurance companies typically cancel policies for a variety of reasons, like non-payment of premiums, fraudulent activities, material misrepresentation, or a violation of policy terms and conditions.

When a policy is canceled, coverage ends immediately, or on a specified cancellation date mentioned in the notice sent to a homeowner by the insurance company. Typically, these notices are sent 30 to 45 days prior to the cancellation date. Policy cancellation can create an adverse effect on a homeowner, as it may alter the person's ability to obtain new coverage.

### NON-RENEWAL

Sometimes an insurer will not offer a policy renewal because of a change in their underwriting guidelines, or an increased risk associated with the insured's property or assets. Other times, an insurer will strategically exit a particular line of business or state where they are writing business. In any case, a non-renewal is typically communicated to homeowners well in advance of the policy's expiration date through a non-renewal notice.

Non-renewal does not imply the homeowner is considered high-risk—it may be a strategic business decision because of market conditions, like a hardened property market.

### CONDITIONAL RENEWAL

A conditional renewal refers to a type of insurance policy renewal that is subject to specific conditions, outlined by the insurer, that need to be met before the policy can be renewed. These conditions may involve changes to the policy's terms and conditions, an increase in premiums, or other adjustments to the coverage.

For example, the insurance company may require the policyholder to make necessary repairs or improvements to the building premises before renewing the policy or they would cancel the coverage if the policyholder does not meet the requirements. The primary reason for conditional renewals is to ensure that insurance policies remain viable, and that the insurance provider adequately manages the risks associated with insuring the policyholder.



## TAKE PROACTIVE STEPS

Because insurers are legally obligated to provide you with the reason for their decision, it's important to understand the specific factors that led to losing your insurance coverage.

### HERE ARE SOME STEPS YOU CAN TAKE:

- 1 Understand the reason and seek an explanation.** Contact your insurance provider and request an explanation for the denial.
- 2 Double-check your insurance application and paperwork.** Ensure that all details are accurate and up to date. Mistakes or inaccuracies can lead to problems, and when market conditions change, the consequences of errors multiply. If you find any errors, notify your insurance company, and ask if you can submit an updated application.
- 3 Work with your insurance advisor to seek reconsideration.** If you believe the reasons for the loss of coverage are in error, request a meeting or conversation with your advisor. Your advisor will work on your behalf with the insurer's underwriter or supervisor and explain your concerns. Sometimes, a simple clarification can resolve a complicated issue.
- 4 Find alternative options tailored to your needs.** Working with your insurance advisor will help you determine if another insurance company or a collaborative mix of insurers will help secure the coverage you need.
- 5 Mitigate risk factors.** If your loss of coverage is based on risk factors involved with your property, address those concerns to help mitigate the risk. Installing or upgrading safety features like storm shutters, tankless water heaters, or leak detection systems, for example, may improve your chances of obtaining coverage.
- 6 Update your inventory list.** While you seek to quickly obtain homeowners insurance, make sure your homeowner's inventory list is as up to date as possible. Accurate valuations help your insurer exponentially during the underwriting process.

## FROM UNCERTAIN TO OPPORTUNITIES

If you are having a difficult time navigating the insurance landscape or finding it challenging to secure coverage, contact our private risk management team of experts for guidance and access to a high-value network of insurers to assist you in finding the right coverage for your needs.



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