

## Property/ Casualty 101



FINANCIAL 101 SERIES FROM  
**Farm Bureau Financial Services**

Property and casualty insurance is important in protecting your personal assets as well as your financial future. With that in mind, Farm Bureau Financial Services has prepared some basic coverage information and tips to help you understand the “ins and outs” of property and casualty insurance.

### What is Property and Casualty Insurance?

Property and casualty (liability) insurance provides financial protection against the loss of, or damage to, your personal property and may cover your risk of being sued for occurrences that result in injury or property damage. It can play an important role in protecting your personal assets, as well as your financial future.

There are several types of insurance products that are classified as property and casualty coverages, including:

- Vehicle
- Motorcycle/ATV
- Snowmobile
- Watercraft
- Motorhome
- Trailer
- Homeowners/Renters
- Mobilehome
- Condominium
- Personal Umbrella/Excess Liability

### Helpful Tips

#### What to do if you experience a loss.

Report the loss immediately while the details are fresh in your mind. For tools to assist you in reporting an auto accident, go to the home page and click on Insurance > Personal > Vehicle Insurance and you'll find an Auto Glovebox Organizer. To help you keep track of belongings in your home, you'll find an interactive Home Inventory Kit at > Insurance > Personal > Property Insurance > Dwelling Insurance.

#### Discounts are available.

Companies may offer discounts on vehicle insurance for things like a perfect driving record, being a good student, etc. There are homeowners discounts as well. Be sure to ask your agent if you qualify.

#### Your deductible affects your insurance cost.

A deductible is the amount of money which you agree to pay, per claim or per accident, toward the total amount of an insured loss. Usually, the higher your deductible is, the lower your premium will be.

#### Replacement cost vs. actual cash value (ACV).

Homeowners policies can offer either type of protection, but ACV coverage will only provide payment for the depreciated value of your property. Replacement cost coverage will pay to replace the property no matter what its age.

Most vehicle and homeowners policies combine both property and liability coverages into a single policy. But coverage options and limits can vary considerably. The following are types of coverages that may be available in vehicle and homeowners policies, common terms and their definitions.

## Vehicle Coverage

- **Physical Damage:** There are two types of physical damage coverage for your vehicle:
  - Collision:** Covers the cost to repair or replace your vehicle in the event of a collision, whether or not you are at fault.
  - Comprehensive:** Covers the cost to repair or replace your vehicle if damaged by various causes of loss, such as fire, theft, vandalism or hail.
- **Liability:** Covers your legal responsibilities for injuries or damage to property of others.
- **Medical:** Covers your medical bills, up to a specified limit due to injuries sustained from an accident.\*
- **Uninsured / Underinsured Motorist:** Covers damages resulting from your bodily injury if an accident occurs with a motorist who has no insurance or inadequate liability limits. This only applies to bodily injury, not repair to your vehicle.
- **Miscellaneous:** Towing, rental reimbursement and other coverages can be added.

## Homeowners Coverage

- **Dwelling:** Covers damage to your home (or dwelling) and attached structures due to certain causes of loss, such as fire, wind, hail or lightning.
- **Contents:** Covers damage to your personal property (contents of your home) due to certain causes of loss, such as theft, fire or wind.
- **Liability:** Provides coverage for damages you would be obligated to pay if you are held legally liable for injury to another person or damage to their belongings.
- **Medical:** Covers the cost of injuries if someone is hurt while on your property, up to a specified limit.

## Personal Umbrella/Excess Liability Coverage

It helps provide protection against financially crippling lawsuits that can result in large money damage awards. It can provide you with additional liability coverage that starts where your underlying vehicle and homeowners limits stop. For instance, if you're in a car accident and liability damages exceed your auto limits, the personal umbrella/excess liability can cover the additional expense. Generally, the policy is for \$1 million or more.



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Long-Term Care & Disability Income insurance policies are underwritten by a variety of insurance companies that are not affiliated with our companies.

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