

*KNOCK, KNOCK, IS ANYONE HOME?*

Insuring an Unoccupied House

No doubt as we age, most of us would rather age in place than move due to an unexpected setback in health. Often the arrangement to live somewhere that provides services that we are not able to provide for ourselves at home is only temporary.

At some point the move from home may be prolonged or permanent. It is a dilemma deciding whether or not to hold onto the house with the hope of returning home or selling the unoccupied house? There are things to consider when weighing our options.

Keeping a house during convalescence may be an incentive during recuperation. Don't underestimate the value of hope. An unoccupied house may also serve as lodging for visiting family members when they come to help get our affairs in order.

On the other hand, an unoccupied house is a financial drain. The upkeep may be worrisome and a burden both financially and emotionally. Even if we have the financial security to maintain the house, it does not produce income and it may become rundown.

Getting and keeping homeowner's insurance on an unoccupied house is often overlooked when considering whether or not to keep or sell the house. After a house sits unoccupied for a

while the homeowner's insurance usually terminates. The length of time before coverage ends varies from policy to policy and may not be readily apparent from reading the policy.

It is a good idea to inquire with the insurance company as to how long the company will insure an unoccupied house. It may be necessary to negotiate the term of coverage under the current policy with the underwriter. Frequently, we have to purchase a special policy specifically to provide homeowner's insurance on an unoccupied residence.

It is a financial risk not to advise our agent from the start that the house is not going to be occupied for several months. At the risk of vandalism, fire, or storm, most of us really cannot afford to bear an entire loss ourselves. When such claims are denied, insurance companies refund premiums from the date the insurance coverage was terminated. Paying premiums does not guarantee insurance coverage.

If you do not want to learn the hard way that you might not have insurance coverage if your house is unoccupied, contact your insurance agent to arrange for the coverage you need.

Nancy R. Larson is an attorney with offices in Belleville and Mascoutah. Her practice has an emphasis on intergenerational planning for estates and concerns of elders and their families.

This article is for information only and is not to serve as legal advice.