

Insurance: Are you really covered?

The insurance needs of a real estate investor differ greatly from the needs of your traditional home owner. With properties in various stages of rehab, the correct coverage will differ among a vacant property, one in the course of the renovation or one that is fully rehabbed and occupied. Are you properly insured? Do you understand the consequences of having the “wrong” insurance coverage?

How do you know?

Paul Cardamon of City Securities Insurance Division explains that working with an insurance broker who specializes in Real Estate can help the investor obtain the correct coverage, often at a more competitive rate. Someone who specializes in Real Estate knows what questions to ask to help determine the appropriate coverage. A rental property that is insured as occupied, when in fact it is vacant, could result in a voided policy if a claim would need to be filed. Insurance can protect an investor only *if* it is the correct policy for the property.

Many investors begin their investment career by setting up a LLC or other company structure to protect and separate their assets and liabilities. However, they often neglect to realize the importance of properly insuring themselves and their properties.

Two policies to understand

A Builder’s Risk policy is designed to address the typical exposures of an unoccupied structure under construction or renovation. A Builder’s Risk policy takes into consideration the progress and ongoing change in value of a property as it is being renovated. While a policy for a rental property contemplates an occupied status and includes landlord liability and loss of rents coverage.

ReCasa Financial Group working together with City Securities Insurance Division is now able to offer insurance tailored to the specific needs of the real estate investor. ReCasa offers a Builder’s Risk policy to all loan customers and long-term insurance for rental properties.

Hans Schaffnit, of Realistic Investments, a Columbus, Ohio ReCasa & City Insurance customer says, “The best part is that it is easy. We provide the property address and have to do very little to convey our needs.” He also adds that the policy cost is now also taken out of escrow, an added convenience. Because City Securities already has the property information, no application is necessary for City Securities Insurance to provide a quote.

Realistic now opts for the Builder’s Risk policy directly through ReCasa, then converts their policy to a rental policy once the rehab has been complete. With the number of properties Realistic owns, it was difficult for them to understand the true costs of insuring each property. They now are able to better calculate the insurance costs for each property and are saving approximately \$1,500 each month for correctly insuring all their properties. Yearly, this adds an additional \$18,000 more in their pocket!

For insurance questions or to obtain a quote, contact Paul Cardamon at 1.800.800.CITY or email pcardamon@citysecurities.com.

ReCasa and our clients—improving America’s communities, one house at a time.

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Realistic Investments on City Insurance

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\$1,500 each month



Investments since 1924 • Insurance since 1933

ReCasa Financial Group