

# Questions to Ask Your Insurance Agent

Looking for insurance for your multifamily housing or dwelling rental properties? We've compiled a list of questions to ask your agent.



## General Questions About Insurance Policies

**Q. What are the benefits of insuring my dwelling rental property on a Businessowners Policy (BOP) versus a Dwelling Fire Policy?**

A. One of the main benefits of insuring a dwelling on a BOP is having a \$1,000,000 liability limit on your property versus a typical \$300,000 limit on a dwelling fire policy. Another benefit with a BOP is providing separation between your businessowners policy and your personal homeowners policy. Should someone sue, having your business on a BOP instead of a dwelling fire policy provides you with added protection.

**Q. What is the difference between insuring my property at actual cash value versus replacement cost?**

A. Actual cash value is the depreciated value of an item of property at the time of the loss. Replacement cost provides you with a payment equal to that which would be required to replace the damaged items with items or materials of like kind and quality.

**Q. What is building ordinance and law coverage? Do I need it?**

A. Your property might be insured for replacement cost, but if new laws come into play after your original property was built, it may cost you more to repair your property to bring it up to code. Some policies exclude the increased cost of construction due to new laws or city ordinances.



## Additional Insurance Coverages for Multifamily Housing and Dwelling Owners

---

**Q. Everyone is talking about Cyber Coverage. Do I need it if I only own a few dwelling rental properties?**

A. Businesses of all sizes and types can be prime targets of cyberattacks. In fact, about 50% of small businesses have reported cyber breaches over the past year. Cyber crime can begin as the result of a simple, everyday mistake like the loss of a work laptop, a click on a fraudulent email, or a mis-mailing.

**Q. I own and rent a few properties, however, I do not have employees. Do I need Employment Practices Liability Insurance (EPLI)?**

A. Employment Practices Liability Insurance is often thought of as coverage for when an employee brings a discrimination or harassment charge to an employer. However, prospective and current residents can also bring such charges. Keep in mind, even groundless charges must be defended.

**Q. How do I benefit from requiring tenants to show proof of renters insurance when renting one of my properties?**

A. Many landlords insist their renters have insurance to reduce the owner's liability in legal claims or to pick up the costs to repair damages to the landlord's property if the damage resulted from the tenant's negligence.



## Risk Mitigation

---

**Q. What can I do to mitigate the likelihood of a large loss?**

A. There are many proactive risk management tools on the market designed to benefit owners of rental properties, such as fire suppression products and water leak sensors. Your agent may be able to point you in the right direction to find these third-party products and services for your business.

**Q. Do insurance companies provide a discount to owners who install risk control products in rental units?**

A. At Millers Mutual, we offer solutions that allow our customers to access niche specific products and services at reduced costs. Customers may be eligible for discounts on their insurance premiums after they provide proof of installation.

### About Millers Mutual

Millers Mutual, based in Harrisburg, Pennsylvania, is the niche property and casualty insurer that brings stability to multifamily housing. As a carrier that's dedicated to understanding the intricacies of the niche, we believe our singular focus on multifamily housing results in the kind of comprehensive, stable coverage our agents – and their multifamily clients – deserve. We currently serve commercial policyholders in Pennsylvania, Delaware, Maryland, North Carolina, Ohio, Virginia, and Washington, D.C., through a network of independent agents.