

Many North Carolina homeowners will be losing coverage on their [homeowners insurance policy](#)

over the next few months. Most won't bother to read the fine print in their renewals so they won't even know what they lost. Hopefully, for those of you astute enough to follow this blog, this won't be the case.

What has changed in NC regarding the homeowners insurance policy is that the coverage for backup of water or sewer, which is an add on endorsement that you can purchase, is going to have new limits on how much will be paid out in the event of a claim. Let me start by saying that this coverage is not included in your home insurance policy unless you add it by endorsement. Some people don't need this endorsement at all, and others absolutely should not be without it. To learn more about the sewer backup endorsement and who needs to buy it, [please read my blog about back of sewers and drains coverage.](#)

If you have this endorsement on your policy, then in the past this protection had the same limit of coverage as your home itself. So, for instance if you have \$200,000 coverage on your dwelling, then with this sewer back up endorsement, then you would have \$200,000 coverage for this type of loss. For all renewals with an effective date of June 1 2010 or later, this changes. Now instead you must choose a limit of coverage. The available limits are \$5000, \$10,000, \$15,000, and \$25,000. Probably in most cases one of these limits will be high enough to pay off the loss but there is really no way to know before the claim happens. It's also fair to note that the cost of this protection is going up on a per dollar basis. That's because where you used to have the same limit of coverage as your dwelling for around \$25 per year cost, now that same \$25 will probably buy you between \$5,000 and \$10,000 of protection, depending on which company you are insured with.

I urge everyone to read the letter that will come with your next renewal if you have this endorsement. Every company will handle this change differently but by and large, most of them will move your protection down to the \$5000 coverage level. This is fine if you are confident that this is enough coverage to handle any claims you may have. But if not, then you will need to be proactive and contact your agent and ask for a higher limit.

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