

FINANCIAL AND INSURANCE INFORMATION PROVIDED BY THE D.C. DEPARTMENT OF INSURANCE, SECURITIES AND BANKING  
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## It Is Important to Maintain Your Homeowners Insurance

If you have a mortgage on your home, then the bank or other financial institution holding your mortgage requires you to maintain insurance coverage. Homeowners' insurance protects their financial interest in your home from loss or damage caused by a covered peril like fire or wind damage.

Often, your lender will collect and escrow homeowners' insurance premiums and property taxes, along with your monthly mortgage payment. When your loan is paid off, the financial institution will no longer collect and pay your property taxes or insurance. It is important that you continue homeowners' insurance coverage on your home after your mortgage is repaid. Here are a few important reasons why maintaining your standard homeowners' insurance policy is important:

1. **Protects your home from a multitude of calamities** including wind damage, fire, vandalism, tornadoes, hurricanes, and thunderstorms. It is important to understand whether your home is insured on a replacement cost basis or an actual cost basis. Replacement cost coverage will be a little more expensive because it will be replacing your property at today's cost.
2. **Covers your personal belongings.** If your furniture, electronics, appliances, or clothing is stolen or destroyed by a covered peril, your policy will reimburse you for the value of the covered loss. Often, coverage protects your personal property anywhere in the world whether it is at your home, in your car, in your college student's dorm or in storage.
3. **Provides liability protection.** Your policy is designed to protect you in the event a lawsuit arises due to an injury that occurred on your property. It will pay your legal and medical fees and lost wages for the injured person.

4. **Offers peace of mind.** Maintaining coverage enables you to sleep better at night knowing that your investment is safe and secure from covered events. Remember, your home is probably the largest investment you will make in your lifetime and continuing your coverage provides a safety net.

The cost of homeowners' insurance will vary based on the age and location of your home, cost of rebuilding, the proximity to a fire hydrant, alarm or fire systems or your chosen insurance deductible. These are just a few factors that could impact your insurance premium. Your agent will be able to provide a quote once they evaluate your needs.

If you live or operate a business in the District and have an issue with an insurer or questions concerning your coverage, contact your agent, the insurer or the District of Columbia [Department of Insurance, Securities and Banking](#) at 202-727-8000.

## About DISB

The mission of the District of Columbia Department of Insurance, Securities and Banking is three-fold: (1) cultivate a regulatory environment that protects consumers and attracts and retains financial services firms to the District; (2) empower and educate residents and (3) support the development and expansion of business. Visit us at [disb.dc.gov](http://disb.dc.gov).

*This information is provided courtesy of the National Association of Insurance Commissioners.*