

INSURANCE MATTERS

A Newsletter for Delawareans

May 2026

INSURANCE TIPS FOR FIRST TIME HOMEBUYERS



Delaware Homeowners Insurance Tips

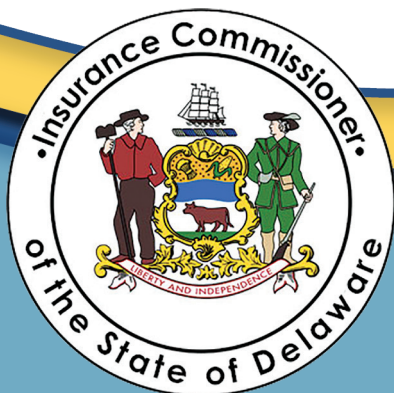
Buying your first home is an exciting step, but it also introduces a set of responsibilities, one of the most important being home insurance. For first-time homebuyers in Delaware, understanding home insurance can be overwhelming. Yet, finding the right coverage for your new home can be a straightforward process if you know the basics and understand what types of protection are available.

Home insurance isn't just a good idea; it's usually a requirement by mortgage lenders, who want to protect the property against potential losses. This type of insurance protects homeowners from the financial burden of damage due to theft, fire, natural disasters, and other unexpected events. For first-time homebuyers, this safety net offers peace of mind by ensuring your new investment is safeguarded from the unexpected and that you're financially protected if someone is injured on your property.

In This Issue

- *Insurance Tips for First Time Homebuyers*
- *DOI Corner*
- *Ask the Commissioner*

To find out more about
insurance tips for home
buyers continue on to page
2



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Why Do I Need Homeowners Insurance?

Some type of homeowners insurance is generally a requirement to get a mortgage to purchase a house. Most homeowners policies cover the following:

Structures: Damage or destruction of your house, garage, shed and other structures are covered under the typical policy. Landscaping is also generally insured for up to five percent of the value of your policy.

Personal property: The typical homeowners policy extends its protection to your possessions, including your furniture, appliances, electronics, clothes, jewelry (usually with certain limits), sports equipment and lawn tools. And these items are not just covered when they are at your home, but anywhere.

If your luggage is lost on a trip or something is stolen out of your car while parked at your work, your homeowners insurance probably covers it, though there may be limits. Most policies cover personal property at 50 to 70 percent of the policy limit. So if you have \$100,000 worth of insurance on your home, you would have between \$50,000 to \$70,000 worth of coverage for your belongings. The best way to determine if you have enough coverage for your belongings is to conduct a home inventory.

Temporary living expenses: If your home is damaged or destroyed and you must live somewhere else while it is repaired or rebuilt, your homeowners policy should cover some or all of the costs.

Liability: Besides insuring your property, the typical homeowners policy includes coverage for injuries or loss to other people. If someone trips on your steps or sidewalk, it will cover that person's medical bills and other losses. It also may pay for injuries in accidents (not auto accidents) caused by you, a family member or even your pet away from home, such as if you run into someone with your bike. The policy also may pay your legal bills if you are sued in one of these situations. You can buy larger amounts of liability coverage at a relatively small cost.

What Effects Premium Prices?

The cost of a homeowners insurance policy can vary widely depending on the unique characteristics of the home and the levels of coverage selected. The following items can help explain what factors contribute to the total cost of your homeowners insurance premium.

Types of construction: Frame houses usually cost more to insure than brick or stone construction.

Age of house: If your house was built before 1900, you may be offered an HO-8 policy. An HO-8 policy is designed to cover older homes and will not cover damage caused by accidents such as burst pipes or electrical shortages, which are more likely to occur in an older home.

Amount (levels) of coverage: The amount of coverage you buy for your house, contents and personal liability will affect the price you pay.

Local fire protection: Your home's distance from a fire hydrant and the accessibility of your home to your local fire department determine your fire protection classification.

Deductible amount: Your choice of a higher deductible will reduce the price of the overall premium.

Hurricane deductible: In an effort to fend off rate increases associated with an increased risk of hurricane damage, many homeowners policies now call for the payment of a deductible (typically 2% of the property's value) before losses are covered from wind, rain, hail, tornadoes or cyclones directly caused by a hurricane.

Pets: Some insurance companies will charge you more if you own a certain breed of dog they have deemed to be a risk for increased claims. Some insurance companies may decline to offer coverage altogether.

Home-specific features: Expect to pay a higher premium if you have: a pool, hot tub or trampoline; an electrical system that has not been updated with a circuit breaker; a roof or furnace that is over 20 years old, etc. Each home has its own unique set of risk factors.

Happy Retirement Susan

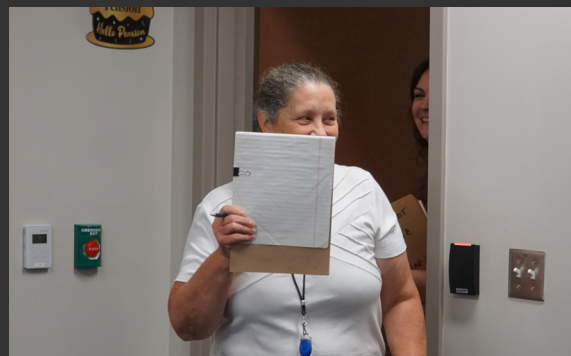
After 22 years of dedicated service with the Delaware Department of Insurance, we congratulate Susan Jennette on her well-earned retirement and thank her for the many years she devoted to the department.

Before joining the Department in June 2004, Susan spent many years working in the health care and health insurance industries. Over the course of more than two decades with the Department, she worked her way up to become the Director of Insurance Consumer Protection Enforcement.

Michelle Stevens shared, "Susan was one of the first people to show me the ropes of our database, better understand consumer services, arbitrations and how it was all interconnected. She has always made me feel included, valuable, and validated when sharing my ideas during our meetings."

Jessica Luff added, "Susan has not only been my boss for many years, but she has also been my friend for even more – 30 plus! We've had some fun times & I will cherish all the memories – good & bad. I will leave her with this, always keep your phone handy, have my room ready & drinks by the pool for when I visit, and never forget – Be Nice to Nick!"

Susan's time here will be remembered with appreciation, laughter, and gratitude for all she contributed throughout the years. Thank you Susan, for everything you've done for The Department of Insurance, and have a great retirement.



THE DOI CORNER

DOI Visits the Latino Summit

The Delaware Department of Insurance was proud to attend the Latino Summit held at the Chase Center in Wilmington on May 19, joining community leaders, organizations, and businesses from across the state for a day focused on connection to our Latino community.

Our Department volunteers had the chance to speak with attendees about insurance resources available to Delawareans and the importance of understanding coverage options, consumer protections, and available assistance programs.

The Department appreciates everyone who stopped by to speak with the team and learn more about how the Delaware Department of Insurance works to protect consumers across the state. We look forward to continuing to build strong relationships within Delaware's diverse communities.



ASK THE COMMISSIONER

Can I Cancel my Auto Insurance Policy at Any Time?

The short answer is yes, in most cases, you can cancel your auto insurance policy at any time. However, there are a few important things you should know before making that decision.

If you plan to switch insurance companies, make sure your new policy is active before canceling your current one. Even a short lapse in coverage could lead to fines, registration issues, or higher insurance costs in the future. Delaware law requires all registered vehicles to maintain continuous auto insurance coverage.

It's also important to contact your insurance company directly to understand if there are any cancellation requirements, such as written notice or possible fees. Depending on your policy, you may also be eligible for a refund if you paid your premium in advance.

Before canceling your policy, take time to compare coverage options and make sure you still have the protection you need. The Delaware Department of Insurance encourages consumers to ask questions, review their policies carefully, and make informed decisions about their coverage.

If you need assistance or have questions about your insurance rights, the Delaware Department of Insurance is here to help. You can call us at 302-674-7300.



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The consumer comes first.

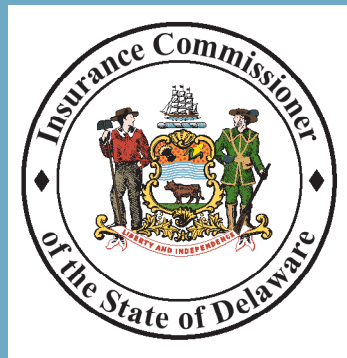
Our office is here to help if you have questions about or problems with your insurance coverage or insurance company.

Questions about insurance or complaints about an insurance company or insurance agent can be made to the Consumer Services Division by phone, by fax, by letter, by email or with an online complaint form.

Phone: 302-674-7300

Fax: 302-739-6278

consumer@delaware.gov



Our Mission

Protecting Delawareans through regulation and education while providing oversight of the insurance industry to best serve the public.