your
LIFE
Learn Individual Financial Empowerment

It's your life – learn individual financial empowerment.
Financial education resources and information to empower and assist survivors of domestic violence become financially independent.

**CONTENT**

Understanding Your Finances .................................................2  
Budgeting and Saving ............................................................3  
Credit and Debt .....................................................................6  
Repairing Damaged Credit .........................................................14  
Renting or Buying a Home ...........................................................16  
Buying or Leasing a Vehicle .........................................................20  
Insurance and Benefits .............................................................23  
Financial Safety Planning ...........................................................34  
Resources ...............................................................................37

As you read this guide, please take extra precautions to protect your personal safety. Consider the impact this information has on your well-being, as well as your financial future. Whether you are removing yourself from your partner’s finances or considering a new place to live, factor in your personal security. As always, your safety should be the first priority when making changes to your life.

Florida Domestic Violence Hotline:  
1-800-500-1119  
1-800-621-4202 (TTY)  
www.fcadv.org/

National Domestic Violence Hotline:  
1-800-799-SAFE (7233)  
1-800-787-3224 (TTY)  
www.ndvh.org

Please call the Florida Domestic Violence Hotline or visit your local certified domestic violence center for assistance in safety planning. Domestic violence centers have Financial Empowerment Advocates onsite to help navigate through each of the money management sections mentioned in this resource guide.

In partnership with the
Florida Coalition Against Domestic Violence
Your personal finances will always need careful planning and handling no matter when or where you start managing them.

Chapter 1

Understanding Your Finances

No matter what stage of life you are in, your finances will always need managing. Your personal finances will always need careful planning and handling no matter when or where you start managing them. Those who have achieved financial stability have done so through planning, awareness of their lifestyle and spending within their means. Remember, everyone feels the same anxiety and self-doubt about their own financial situation. The tools provided within this Resource Guide will help you achieve your financial goals.

Taking a Financial Inventory
The first step to taking control of your finances is to take inventory of all assets and expenses. Knowing what you own and what you owe will help determine what course of action is needed to meet your financial goals. How much do you earn after taxes? Have you obtained your current credit report? What sort of savings do you have? What property do you own? Do you own a vehicle? Whether you have significant gains or are starting completely fresh, financial stability is within reach as long as you have the proper plan.

If you’ve never managed your family’s finances before, this inventory will help you understand how you spend your monthly income. Record everything including how you pay for specific bills, the dates you pay them, what you purchased, the total spent, etc. Include items that you use a credit card to buy, as you should always try to pay the amount in full when the monthly bill is due. Remember that while some bills are reoccurring, there is no such thing as a typical month. Unexpected or emergency expenses will occur from time to time. Mark these unanticipated expenses down in your inventory as well, and estimate the average amount that occurs over a length of time. To help better prepare for these situations, you may need to make some lifestyle adjustments. Sometimes it is as easy as cutting out a minor expense like a daily trip to the coffee shop, and in other cases it may mean purchasing a less expensive car.

Making Purchasing Choices
There will also be difficult decisions about how you spend your money. Whether you are accustomed to operating without a budget or being restricted to having very limited means, you may have to make some adjustments to your spending habits. Changes to your spending practices may mean learning to curb impulse buying in order to pay off debt faster or investing in your home instead of going on a trip.

Investing for Your Future
After you’ve gotten a handle on your income and spending, as well as adjusted to living within a budget, the next part of mastering your finances also means learning how to make your money work for you. For instance, owning instead of renting a house or buying instead of leasing a car are ways you can make an investment for the future. Learning how to compare the annual increase in rent against the expected increase in the value of a home is one of the ways you determine your best course of action for the future.
Your personal financial plan begins with your budget and it will continually change and evolve to best suit your goals. Your budget is the best tool to help you plan for all of your future financial endeavors. Now that you’ve examined your financial inventory, you should have a better understanding where your money is going and how it is working for you. You’ll be able to shore up places where your money isn’t used as effectively as it should and learn to cut spending where it is available. Your budget should fit to your current financial situation, but be adjustable to any changes that may occur. The whole purpose of a budget is to have an understanding of how your money is working for you. This way you can manage your funds and be better prepared for the future.

Setting a Goal
Let’s begin your budget by setting a simple goal at first. Set your goal on something you want for yourself whether it is replacing an appliance or setting aside a down payment on a new home. Then factor how long it will take to reach that goal by fitting it in your financial inventory. By adding up your income and deducting from it all your expenses, a suitable amount for your goal can be determined. Figuring how fast you want to reach it will factor how much of your leftover income you use for your goal. You should be encouraged to save for multiple goals in time, but for now try to focus on a single target.

Flexible spending can vary from one individual to another. Depending on how accurate you budget your grocery bill or entertainment expenses these can be considered fixed. These items will change according to a specific situation, like emergencies, for example. Medical bills can be considered both fixed and flexible. Your insurance premiums may be the same month to month, but unforeseen illnesses and accidents can cause expenses like co-pays and deductibles, which all add up quickly. Understanding your spending is important to managing your budget.

Identifying Your Wants and Needs
The next step is to identify your wants and needs. Using the inventory you created in Chapter 1, break down the items into two categories: wants and needs. Things like a mortgage, auto insurance and utility bills are all needs, while entertainment and non-essentials are wants. It can get tricky when you have a service or product that counts as both. For instance, you might have Internet access primarily for entertainment purposes to stream music and movies, but you may also be utilizing it to search for...
Budgeting and Saving

Place your needs at the top of your budget followed by your wants. Don’t forget to factor in savings for emergencies, and whatever is left over will be used for your target goal. If your budget is tight, you may not have that much income left over for your goal. To correct this issue and balance your budget, subtract from your want column. Cutting things like dining out or paying less for entertainment might be the answer. Then reduce items from your needs column until your budget is balanced.

Streamline Your Spending

One way to better meet your goal is to focus on ways you can streamline your costs and maximize the value of each service. For example, you can call your cell phone provider and ask if there are discounts for going to a paperless service. Ask your utility company if it offers a free energy audit to show you how you can lower your energy consumption. Even your cable provider might be able to re-bundle your services for a lower rate if you are eligible. There are simple ways you can save money. Remember, even a few dollars saved every month adds up. If you manage to cut your costs by an average of $15 a month across all your bills, in 12 months that is $180 you have put towards your goal. Even if you meet all of your financial goals, streamlining is a good practice to ensure you are making the most of your money.

Stay on Target

Your budget is a game of patience over time. Practicing good spending habits, maximizing the value of your investments, and honing your saving techniques can sometimes be a long term process. But as time goes by you are strengthening your financial plan and mastering your money. It is very important to be a sound consumer and to get the best value that is available to you, but don’t get complacent with your financial goals. There is no such thing as budget failures, only constant readjusting and regular maintenance. You may be ahead of all your bills and the savviest of savers, but when faced with unexpected medical bills or legal fees, even the most experienced money managers can get overwhelmed. The ability to be flexible with goals and address any overspending with each new version of your budget is a great start to financial empowerment.
Knowing where your money goes is an eye-opening experience and an education in itself. This calculator will help you by tracking your expenses. Keep a log and jot down whatever you spend. In this way, you will be able to take control of your money and your current financial situation.

### Monthly Income

<table>
<thead>
<tr>
<th>Income Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income #1</td>
<td>$</td>
</tr>
<tr>
<td>Income #2</td>
<td>$</td>
</tr>
<tr>
<td>Interest</td>
<td>$</td>
</tr>
<tr>
<td>Pension</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
</tbody>
</table>

### Fixed Monthly Expenses

<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing (rent/mortgage)</td>
<td>$</td>
</tr>
<tr>
<td>Food</td>
<td>$</td>
</tr>
<tr>
<td>Transportation (car payment &amp; car insurance)</td>
<td>$</td>
</tr>
<tr>
<td>Medical</td>
<td>$</td>
</tr>
<tr>
<td>Education</td>
<td>$</td>
</tr>
</tbody>
</table>

**Add another item**

**Total fixed expenses:** $0.00

### Flexible Monthly Expenses

<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertainment</td>
<td>$</td>
</tr>
<tr>
<td>Credit cards</td>
<td>$</td>
</tr>
<tr>
<td>Childcare</td>
<td>$</td>
</tr>
</tbody>
</table>

**Add another item**

**Total flexible expenses:** $0.00

[Calculate]

Credit is often referred to as borrowed money from a lender who trusts that you will repay the debt in full plus any associated interest fees. Although using and repaying credit may seem easy, it is important to be careful with how you use credit. If you're not careful, misuse of credit can lead to high debt.

Types of Credit
When you are considering opening a line of credit it is important to understand all of your options. Certain types of credit may benefit you more than others depending on your financial situation.

- **Revolving credit** has no set monthly payment. As you make a purchase your credit limit decreases and as you make a payment your credit limit increases. If you make consistent monthly payments your lender may decide to increase your maximum credit limit. A great example of revolving credit is department store credit cards.

- **Non-revolving credit** is very similar to revolving credit, except as you make payments the line of credit will go down and not be replenished. The account will close with your last payment. An example of non-revolving credit is a car loan.

Credit Cards
Credit cards offer many advantages. They offer you the convenience of being able to make purchases with the security of not having to carry cash. When you use a credit card, you are essentially borrowing money from a bank or financial institution with the promise to repay it in a month when the credit card bill arrives. You also receive fraud protection and in some cases rewards for making purchases.

Some credit cards offer interest free months for signing up. Interest is the fee paid for borrowing money from the lender. How you manage your credit card will have an impact on your credit score. However, it is important to find out what the interest rate will be after those first few months. As we mentioned earlier, some credit cards offer great rewards, such as free flyer miles for an annual fee. An annual fee is a payment for use of a credit card. It is sometimes made yearly and is a separate fee from an interest rate on purchases. Before you commit to a rewards credit card you should consider whether or not you will truly use the rewards and if they are worth the annual fee.

Once you begin to use your credit card, it is important that you pay the monthly bill by the due date to avoid additional fees. If a credit card bill is not paid in full each month, interest will be charged on the remaining balance.

**What is a Credit Score?**
Before you are offered a line of credit from a lender, they must determine how risky it would be to offer you credit. Amounts owed on accounts and how often you pay off your debts are factors in deciding how much risk is involved.
Think of your credit score as a score you would receive on a school test. The higher your score, the better your score reflects on you. Credit scores range between 300 and 850. Lenders prefer higher credit scores because they involve less risk. Lower credit scores typically indicate poor debt management. It may be risky for a lender to offer a line of credit to someone with a lower credit score because their score indicates they may not manage their credit well and the lender may never be paid back.

**How is Your Credit Score Calculated?**

Your credit data is divided into the following five categories when calculating your credit score.

- **Payment of bills** - 35% of the score
  - Along with account payment information, this factor also considers bankruptcy and judgments, overdue payments and length of time since any adverse occurrences.

- **Amount owed on accounts** - 30% of the score
  - This factor looks at individual amounts owed on accounts and percentage of credit used, but also looks at total debt for the consumer.

- **Length of credit accounts** - 15% of the score
  - Lenders look at the time since you’ve opened your accounts and if they have been active.

- **New credit accounts** - 10% of the score
  - This refers to the number of accounts you have and in what time span they were opened.

- **Mix of credit accounts** - 10% of the score
  - The score will consider your mix of credit cards, retail accounts, installment loans, finance company accounts and mortgage loans.

Here are few tips on how to keep your credit score high:

- Complete credit applications carefully and accurately.

- Use your credit cards responsibly and don’t let them reach their limit or spend beyond your means.

- Attempt to pay your credit card balance in full each month, but at least make the minimum payment by the due date.

- Always pay bills before or on the due date.

- If you have problems paying your bills, contact your creditors. In many cases, they will work with you to determine payment arrangements.

- If you move, let your creditors know your new address as soon as possible to avoid losing bills or receiving them late.

- If your credit card is lost or stolen, report it immediately.

- Review your credit reports periodically for accuracy and report any errors immediately. Call the Annual Credit Report at 1-877-322-8228 or visit the Annual Credit Report website at www.annualcreditreport.com for a free credit report.

Lenders also consider your character, capital and capacity in the following ways.
Credit and Debt

Character: From your credit history, a lender may decide whether you possess the honesty and reliability to repay a debt. Considerations may include:

- Have you used credit before?
- Do you pay your bills on time?
- How long have you lived at your present address?
- How long have you been at your present job?

Capital: A lender will want to know if you have valuable assets such as real estate, personal property, investments, or savings to repay debt if income is unavailable. The lender may consider the following:

- Do you own your home?
- Do you own stocks/bonds/mutual funds?
- Do you have a savings account?

Capacity: This refers to your ability to repay the debt. The lender will look to see if you have been working regularly in an occupation that is likely to provide enough income to support your credit use. The following questions may help the lender determine this:

- What is your current salary?
- How many other loan payments do you have?
- What are your current living expenses?
- What are your current debts?
- How many dependents do you have?

Why is Good Credit Important?

As we mentioned before, the higher your credit score the better it reflects on you and your creditworthiness. When you are trying to purchase a car or home, lenders look at how good your credit is and make their decision based on your credit score and credit history.

Your credit history lets lenders, landlords and employers know how you have managed your money in the past. It helps them decide whether or not to take a monetary risk on you. This history is contained in a credit report that is kept on file by the three independent credit bureaus (Equifax, Experian, TransUnion).

It may include such information as:

- How promptly you have paid off credit cards and loans
- How well you have handled paying other bills, such as rent and utilities
- Your total outstanding debts
- How much available credit you have on credit cards and home equity loans

You can receive one free credit report a year from each of the three credit bureaus. It is recommended to request one free report from a different bureau every three months. To view your credit report, call the Annual Credit Report at 1-877-322-8228 or visit the Annual Credit Report website at www.annualcreditreport.com

It is also important to review your credit report regularly. Over 13 million people a year find inaccuracies on their credit reports including incorrect late payments, accounts that should have been closed, other people’s debt information and more. Make sure to report mistakes on your report immediately, as they can lower your credit score.

Who Can View My Credit Report?

Anyone planning to give you a loan or credit, such as banks and credit unions, credit card issuers, auto financing companies and insurance companies can review your credit report. Your report also may be checked by landlords and potential employers. Some lenders may also use the details in your report to determine how much credit they are willing to offer you and at what interest rate. Anyone with a legitimate business need can access your credit report, though an employer (or prospective employer) typically requires your written consent to do so.
Activity

Cost of Credit

- It is often easy to make a credit purchase, but it proves more difficult to pay off. Use our Cost of Credit calculator ([http://www.myfloridacfo.com/YMM/Calculators/CostofCredit.aspx](http://www.myfloridacfo.com/YMM/Calculators/CostofCredit.aspx)) to find out how much it will cost you and how quickly you can fully pay back your debt.
Credit and Debt

Should I Consolidate My Debt?

- Depending on your level of debt it may be beneficial for you to consolidate all of your debt into one loan. Determine if this is the right move for you with the use of our Should I Consolidate My Debt? calculator (http://www.myfloridacfo.com/YMM/Calculators/Consolidate.aspx).
DEBT
Debt affects millions of Americans. A study of 2015 credit consumers by CardHub.com (http://www.cardhub.com/edu/credit-card-debt-study/), predicts there will be an increase of $60 billion in credit card debt by the end of 2015. If you are in debt you are certainly not alone. Sometimes it’s hard to know or admit that you’ve gotten in over your head. You may begin to worry that you won’t be able to pay back what you owe. The key to getting out of debt is to act now. Don’t procrastinate. Be proactive about your finances by creating a plan for tackling your debt. This plan will put you on the path toward a better financial future.

Getting out of debt is like losing weight. You’re likely not going to lose 50 pounds in a month. For most people, it takes years to become debt-free. As time passes you will gain a better understanding of your necessary and unnecessary expenses. Keep in mind you may have to adjust your spending habits to eliminate expenses that are contributing to your debt.

Find Out How Much Debt You Have
Start by making a list of everything you owe, whether it’s a monthly mortgage or rent payment, a credit card balance, or even money you borrowed from family or friends.

1. Write down:
   • The lender’s name
   • The amount you owe
   • The term of the loan
   • The interest rate and fees

2. Total up the amounts in step 1. This will provide you with an overview of your debt load. Looking at the numbers can be worrisome, but this is a positive and necessary first step to tackling your debt.

It is also important to determine which of your expenses are fixed and which are flexible. This will give you a better understanding of your necessary expenses and how to budget for them. As a reminder, a fixed expense is one that does not generally change from month to month. This can include categories such as rent, cable, phone and Internet. A flexible expense is one that can vary from month to month. These categories can include gas, groceries, entertainment and dining out.

Find Out if You Owe More than You Earn
Now that you have compiled a list of all of your debt, you should have a better idea of exactly what you need to pay back. You can now begin to determine whether or not you are carrying too much debt. You can determine this the way banks and creditors do, by calculating your debt/income ratio - the amount you owe compared to the amount you earn.

- Calculate all your monthly debt payments - including credit cards, mortgage and child support. (If you don’t have fixed monthly payments, you can estimate your monthly payments at 4 percent of the total amount you owe.)
- Take your gross annual wages and divide them by 12. That’s your monthly income.
- Take your monthly payments total and divide it by your monthly income.
- Move the decimal point two digits to the right to make it a percentage. That’s your debt/income ratio.

Here’s an example. Let’s say your monthly income is $2,000 and your monthly payments on your debt load totals $500. If you divide 500 by 2,000 you get .25. Move the decimal point two places to the right and you get 25% as your debt/income ratio.
Lower Your Debt While Unemployed

If you are currently unemployed, know that there are ways you can still make strides to get out of debt. Consider the following tips to lower your debt:

- Reduce your spending to the essentials, such as groceries and utility bills. For instance, you may want to cut back on how often you dine out at restaurants.

- Prioritize your debt – Determine which debts you need to pay off first and consider eliminating some debt by relinquishing non-essential services such as cable or premium channels.

- Apply for public assistance – You may be eligible for food, cash and medical assistance. Visit the Florida Department of Children and Families ACCESS Florida page (http://www.myflfamilies.com/service-programs/access-florida-food-medical-assistance-cash) for more information.

How Much is Too Much Debt?

If you feel as if you are straining to cover all your regular bills in addition to your credit card bills each month, you don’t need anyone to tell you that you’re out of your debt comfort zone.

But as a general rule of thumb, a debt/income ratio of 10% or less is outstanding. If it’s between 10 - 20%, your debt is manageable, and you can probably borrow more.

A ratio of 20% or greater is an indication that you should thoroughly review your debt load. Creditors will be less likely to give a loan to someone with such a high debt/income ratio, and those that do will probably charge higher interest.

If you have a debt/income ratio above 20%, chances are you’ll feel a strain on your budget.

### Pay More Each Month to Save on Interest

Paying the minimum amount due on your credit cards is one of the fastest ways to fall further into debt and it can keep you in debt for years. Consider the following example.

In both columns, you have a total credit balance of $3000.00 and an annual interest rate of 18%. In column A, you choose to pay the minimum monthly payment of $60.00. This means it will take you 8 years to pay off your debt. With interest and fees you will pay a total of $5780.00.

On the other hand, in column B you choose to make an $110.00 monthly payment, which is $50 above the minimum amount due. In turn, you will pay off your debt in only 3 years and save yourself $1,800 in interest!

<table>
<thead>
<tr>
<th></th>
<th>Column A</th>
<th>Column B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Credit Card Balance</td>
<td>$3000.00</td>
<td>$3000.00</td>
</tr>
<tr>
<td>Annual Interest Rate</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>Your Monthly Payment</td>
<td>$60.00</td>
<td>$110.00</td>
</tr>
<tr>
<td>Total Years to Pay Off Balance</td>
<td>8 years</td>
<td>3 years</td>
</tr>
<tr>
<td>Total Amount Paid</td>
<td>$5780.00</td>
<td>$3980.00</td>
</tr>
</tbody>
</table>
**Activity**

*Track your debt payments*

It can be overwhelming when you first begin to pay off your debt and you may get discouraged. Track your payments each month with this debt tracker worksheet to see how much of an impact you are making on reducing your debt.

### Debt Tracker

<table>
<thead>
<tr>
<th>Debt Type/ Lender Name</th>
<th>Starting Balance</th>
<th>Amount Paid Per Month</th>
<th>Remaining Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>January</td>
<td>February</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total:**

<table>
<thead>
<tr>
<th>Debt Type/ Lender Name</th>
<th>Starting Balance</th>
<th>Amount Paid Per Month</th>
<th>Remaining Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total:**
Like most things, repairing your damaged credit takes time.

Chapter 4
Repairing Damaged Credit

From time to time we all run into trouble. There is no shame in seeking help and guidance. Like most things, repairing your damaged credit takes time. How do you know if you have damaged credit? Frequent calls from bill collectors are a sure sign that you have a problem. If this is the case, it’s time to get proactive. Talk to your creditors as soon as possible. You might be incurring additional charges the longer you wait to contact them. The collectors may be willing to work with you and change your interest rate in order to save you money.

If you get behind on paying bills and you begin to receive calls from debtors, it is important to know that there are restrictions to how and when they can attempt to contact you.

Know Your Rights
Creditors do not have the right to harass you. The Fair Debt Collection Practices Act is a federal law that protects you. It forbids collectors from:

- The use of threat of violence or other criminal means to harm a person, their reputation or property.
- The use of obscene or abusive language.
- Repeated calls with intent to annoy or harass.
- False affiliation with the government, including the use of a badge or uniform.
- Threat of arrest.
- Communication at unusual or inconvenient places and times.
- Communication with third parties without debtor consent.
Repairing Damaged Credit

Pick Up the Phone and Speak with Creditors
Here are some valuable tips on how to talk with creditors:

• Be cooperative, not angry.

• Be prepared with a list of how much you owe.

• Have all of your financial records together and with you.

• Listen. The bill collector might have ideas that will help you.

• If you are having trouble with a particular bill collector, ask if you can speak with a different person.

Do It Yourself: Take These Steps to Begin Repairing Your Credit
The first step in problem solving is identifying the problem. So in this situation, you must first evaluate your current credit situation. Follow these tips to begin repairing your credit:

• Review your current credit report for any inaccuracies. Call the Annual Credit Report at 1-877-322-8228 or visit the Annual Credit Report website at www.annualcreditreport.com to receive a free credit report. You are entitled to receive a free copy of your credit report once every four months from one of the three credit bureaus (Equifax, Experian, TransUnion).

• Report errors or inaccuracies immediately. If you encounter mistakes on your report you should contact the credit bureau/credit reporting company as well as the company or organization that gave the incorrect information.

• Follow up with the credit bureau/credit reporting company. Credit reporting companies have 30 days to investigate your claim and report it to the company or organization that provided the incorrect information so that your credit can potentially be corrected.

Consider Credit Counseling
You may want to consider consulting with a credit counselor if you feel too overwhelmed and are unsure of how to tackle this on your own. Credit counseling agencies can help you get a handle on your debt. They can assist you in the following ways:

• Review your debt load and income

• Help you set up a realistic personal budget

• Negotiate with creditors for reduced payments on bills

• Assist with planning for future expenses

• To learn more about these agencies, or to find one in your area, visit the National Foundation for Credit Counseling at www.nfcc.org.

Beware of Scams and Report Fraud
Offers to quickly repair your bad credit for a small fee are hard to miss. So, how do you know which service is legitimate? Steer clear of any service that offers to “erase” negative credit information such as bankruptcies and liens from your credit report. It is illegal to remove such information from your report. Visit the Florida Department of Financial Services Division of Consumer Services Frauds & Scams page (http://www.myfloridacfo.com/Division/Consumers/FraudScams.htm) to gain a better understanding about how scam artists work and the common tactics they use. If you’ve been the victim of a credit repair scam, report it as soon as possible. Here are a few reporting tips:

• Contact the local consumer agencies in the county where the company is located or

• Reach out to Florida’s Attorney General’s Office (1-866-966-7226) to determine if there are complaints or legal actions pending against the company

• Consider filing a complaint with the Federal Trade Commission. The FTC can’t resolve individual credit disputes but, it can take action against a company if there’s a pattern of possible law violations. File your complaint online at ftc.gov/complaint or call 1-877-FTC-HELP.
Owning a home is a long-term commitment and investment. If you are not ready to make such a big purchase, renting can be the right choice for you.

Chapter 5
Renting or Buying a Home

Home, sweet home! Before you begin your search for your future home, there are many things to consider when deciding whether to rent or buy. As a renter you have an agreement to live within the property, but the responsibility of maintaining and caring for the property oftentimes lies with the property manager or homeowner. As a homeowner, you get to enjoy both the privileges and responsibilities, including being able to make your own improvements to the property. There are many questions to ask yourself when choosing your future home. Will I be able to keep up with the property and maintenance of the home? How long am I willing to commute from home to school or work? Make choices that best fit your lifestyle, and the environment that you want. Making these decisions can help you narrow down your search criteria.

Owning a home is a long-term commitment and investment. If you are not ready to make such a big purchase, renting can be the right choice for you. Follow these important tips to make the best possible decision.

No matter where you decide to move, the State of Florida has an address confidentiality program that allows you to relocate and maintain address confidentiality through a post office box administered by the Attorney General’s Office. It also allows you to maintain address confidentiality with schools and places of employment. For more information on the program, call the Florida Attorney General’s Office at (800) 226-6667.

Renting a Home or an Apartment
Renting allows you to make life changes that are right for you, such as the flexibility to move without the long-term commitment of purchasing a home.

Leases: Your lease is a rental agreement between you, as the renter, and the owner of the unit. It is a binding contract that lays out the conditions and responsibilities for both parties. Your lease will explain several important items such as; your monthly rental price, payment due date, length of the lease, and any stipulations regarding repairs, maintenance, and breaking the lease. Always make sure to read your lease carefully before you sign it, and ask questions if you are unclear about certain terms. Keep a copy of your lease for your records, you will be held accountable for all of the details of your lease agreement.

Co-Signing: If you are not financially able to make the monthly payments on your unit, the landlord will request a cosigner. This is a person who will share the financial responsibility of the lease with you. If you are unable to make the payments for any reason, the cosigner will then be required to make the lease payments.

Responsibilities and Rights: Congratulations, you have signed your lease! Remember that you have responsibilities as a tenant and the owner does too. Your responsibilities can include: keeping the unit clean, properly disposing your garbage, following the health and safety rules, using appliances, plumbing and electrical fixtures properly, and notifying your landlord when repairs are needed. These are just some of your responsibilities; always
make sure to refer to your lease agreement to see a complete list.

A landlord is also responsible for upholding their end of the agreement. Your landlord must obey all health and safety laws, ensure that the property is in good condition, make repairs as needed and give you notice before trying to enter. Florida Statutes 83.53 Civil Practice & Procedure states, “Reasonable notice” for the purpose of repair is notice given at least 12 hours prior to the entry, and reasonable time for the purpose of repair shall be between the hours of 7:30 a.m. and 8:00 p.m.”

A landlord cannot, under any circumstances, shut off utilities, take items that belong to you, change the locks without your knowledge, and threaten to raise your rent if you are still within your lease and not living month-to-month. A landlord should not abuse their right to enter the unit or violate other laws. If you miss rent payments or do not adhere to the lease agreement, the landlord can evict you. The landlord must serve you a written eviction notice. If the landlord wins the suit for eviction and you do not vacate the unit, law enforcement can remove you.

**Renter’s Insurance:** Renter’s insurance can insure the property inside your unit against fire, theft, and wind and water damage, depending on your coverage. You can even insure against personal liability, which means if someone is injured inside or outside of your unit, or if there is an accident causing injury, your renter’s insurance can cover the cost (based on the terms of the coverage). Depending on your policy, you can also be covered for any property that is stolen outside of your unit.

The average policy for renter’s insurance costs $169 per year, according to the National Association of Insurance Commissioners. You may be able to pay the policy cost in increments over the year. Your landlord or apartment complex dwelling may require you to obtain insurance prior to your move-in date. Once you have your renter’s insurance, start to document your belongings. The records that you keep will be useful if you need to make a claim to your insurance company.

**Homeownership**

_Getting Ready for Your New Home:_ If you think homeownership is right for you, begin your planning process by deciding how much you want to spend...
Renting or Buying a Home

on your house, so that you can start saving. If possible, save for your down payment, as well as any associated fees like closing costs, taxes and inspection costs. If you use a real estate agent to help in your search, there may also be fees associated with their services. Be sure to check if the seller is paying those fees as an incentive to sell.

The Florida Department of Financial Services has many useful tools and calculators available to help you decide what you can afford. Visit www.myfloridacfo.com to use helpful financial calculators when you begin making These calculators will help you get started.


http://www.myfloridacfo.com/YMM/Calculators/MortgagePayment.aspx

Down Payment and Pre-Qualification: A down payment is a portion of the cost of a home, paid up front. A down payment is the money from your savings that you give to the home’s seller, while the rest of the payment to the seller comes from your mortgage. The down payment is usually expressed as a percentage of the price of the home. Depending on the lender and the kind of loan you select, you may have between a 3% and 10% down payment. A down payment is not always required. Check with your financial institution to see if you can be pre-qualified for a mortgage. Pre-qualification simply means that if you find a house within your pre-approved amount, you will get financing if you decide to buy. Being pre-qualified for your loan gives you the confidence when shopping for your new home.

Your financial or credit history, type of dwelling and reason for purchasing will determine your mortgage amount.

Mortgages: A mortgage is a loan that a bank or lender gives you to help finance the purchase of your home. Once you enter into a mortgage agreement, you will be responsible for paying off what is still owed. It is important to make sure the home that you are buying fits your current and future needs.
Below are the different types of mortgages that are available:

- **Fixed Rate**: A fixed rate mortgage requires a monthly payment that does not change over time. When you sign the loan paperwork, you come to an agreement on both an interest rate and the payment, which will stay the same.

- **Adjustable Rate**: An adjustable rate mortgage is one in which the interest rates can change throughout the life of the loan. The mortgage interest rates are periodically adjusted to reflect market conditions, your payments may go up or down accordingly. When interest rates go up, your interest rate and mortgage payments will too. If interest rates go down, so will your interest rates and your payment.

- **Pledged Asset Mortgages**: A pledged asset mortgage allows you to use your existing assets such as stocks, bonds, and securities as collateral, instead of a cash down payment. These types of mortgages can save you from taking money out of your savings or investment accounts to contribute to your down payment.

**Government Assistance**: Check with your local government for special programs that may offer down payment or affordable housing assistance. If you are a military veteran, there are many lending programs that can help you purchase your home as well.

If you are in need of financial assistance in order to move, the Domestic Violence Relocation Assistance Program is available to you through the Attorney General’s Office. The department may award a one-time payment of up to $1,500 and a lifetime maximum of $3,000 if immediate assistance is needed. To learn more about available resources, or to file a claim, visit www.myfloridalegal.com.

- **Florida’s Welfare Transition Program**: The WTP is Florida’s plan for providing eligible families with services that will assist them in becoming self-sufficient. As a survivor, the WTP can assist you with obtaining emergency shelter, finding a support group, case management services, accessing children’s services, and other important needs. To find out more about how the program can help, visit www.fcadv.org.

- **Veterans Administration (VA) Loans**: There are a variety of VA Home Loans and assistance programs to help service members. These home loans are provided by private lenders, banks and mortgage companies. The VA will guarantee a portion of your loan, which allows the lender to provide you with the best possible terms. You can visit www.va.gov for more information.

- **Federal Housing Administration (FHA) Loans**: FHA loans are a part of the U.S. Department of Housing and Urban Development, which insures your loan so that the lender can offer a lower down payment or reduced closing costs. If you are a first time homebuyer, these loans may be available to you. You can visit www.hud.gov for more information.
It’s time for a vehicle! There may be several different dealerships to choose from, but there are only two ways to drive a vehicle off the lot. You can buy or you can lease your vehicle. It’s important to understand the commitments and limitations of both options, so that you can make the best choice.

**Leasing a Vehicle**

*What is a Lease?*
When you lease a new vehicle, you are paying to use the vehicle during a specified timeframe. Your monthly payment is determined by the total price of the vehicle minus your down payment, minus what they expect to be able to sell the vehicle for when your lease is over. That number is then divided by the number of months in the term of the lease. To put it simply, you are paying for the depreciation of the vehicle while you use it. The lease is actually a loan for the amount of the depreciation.

*Benefits and Disadvantages of Leasing:*
If you decide to lease your vehicle, you will have a lower monthly payment compared to buying a vehicle. A smaller down payment or trade-in is required. If you like a new vehicle every few years, a lease may be your best option. You may have the option to buy the vehicle after the lease is over or give it back to the dealership.

There are a few disadvantages to leasing a car that you should be aware of. Since you are paying the difference between the new price and the used price of the car, you will be charged extra at the end of the lease for anything that decreases the resale value of the car. Essentially, you have signed a contract that verifies the number of miles you expect to drive, and any wear and tear on the car. If you surpass the limits set in the contract or break the contract, you can be charged extra. For example, if you go over the agreed upon mileage, you may be charged 10 to 15 cents per mile. Over time, this can be a significant cost to you.

**Buying a Vehicle**

*What can you afford?*
Before making any decisions about buying or leasing a vehicle, you must decide how much you can afford to spend. While a down payment is not always required, you may want to plan for one. Along with payments for making a down payment, you will also need to pay for gas, maintenance and insurance for the vehicle. The cost to operate your vehicle can be about one third to one half of the monthly cost of your new vehicle. Take the amount you have decided you can spend on your vehicle each month and multiply that by .66. This is the most you should spend on monthly payments for the vehicle to be able to afford operating expenses.

The Florida Department of Financial Services can help you determine what you can afford and how to plan to make your payments, if you finance your new vehicle. Click here to access the tools and calculators to help you plan for your new vehicle purchase.
Your Down Payment
A down payment is an initial payment made when something is purchased on credit. The more money you can spend on your down payment, the smaller your monthly payments will be. Always remember that your down payment shouldn’t be so large that it depletes your savings account.

Financing Your Vehicle
Your credit report is an important tool for lenders when they decide how large of a loan to give you. Your credit report will tell them your credit worthiness, financial means, and debt load. Many lenders will pre-approve a certain loan amount based on your income and credit history. For more information on credit and debt, review chapter 3 and 4 of this guide.

Getting a Good Deal
When purchasing a vehicle, always remember that you have the advantage as a buyer. Negotiating with a salesperson can be tricky. If you feel pressured to buy or if you don’t like the terms of the deal, feel free to walk out the door! The more proactive and educated you are about what you want, the better the negotiating process will be. You don’t have to go to a dealership, or buy a new vehicle. There are many great options for a used vehicle available to you. You can visit a used vehicle dealer, public auction, or even buy from a friend or family member.

Use some of these negotiation tips when buying your next vehicle, you may come out ahead:
• Keep a neutral attitude. If you give the salesperson the impression that you can take it or leave it, a salesperson will work harder at giving you a better deal.
• Be prepared to wait. The salesperson may try to negotiate with you for a long time or ask to speak to the manager. Don’t let this tactic change how much you are willing to pay.
• Shop for a car later in the month. There are many bonus and rebate programs that are based on monthly sales quotas. If a salesperson is short of meeting their goals at the end of the month, you might find that they are willing to sell you a car at a cheaper price.

Buying or Leasing a Vehicle
There are several financing options available to you. You do not have to use the options that the dealership presents to you. You can call your bank or credit union to see what different loan rates are available. Click here to access the Auto Loan Payment calculator to help determine your monthly cost.

The minimum limits for Florida auto insurance coverage are:

- $10,000 of no-fault or personal injury protection (PIP) insurance.
- $10,000 of property damage liability (PDL) insurance.

There are many different companies that can help you find the right policy to fit your needs. If you don’t want the minimum coverage, you can always add optional coverage, which can include towing, collision coverage and rental vehicle coverage. If you are financing your vehicle, the lender will require that you have insurance before you will be allowed to receive financing for your vehicle. Don’t be afraid to shop around for different policies, to see which companies can give you what you need. You can be fined if you do not have the appropriate insurance. For more information about insurance, view the Department of Financial Services’ Automobile Insurance Toolkit.


For other tips and information on the vehicle purchasing experience, view our Buying a Vehicle interactive presentation.


Auto Insurance
Florida law requires all state residents to have auto insurance. You must purchase the minimum coverage amounts for both personal injury protection (PIP) insurance and property damage liability (PDL) car insurance.

Florida is a no-fault insurance state. If you are injured in an accident, your auto insurance will pay your medical costs up to your policy’s limits, regardless of who caused the accident.
The purpose of insurance is to protect the insured or beneficiaries from financial loss.

Chapter 7

Insurance and Benefits

There are many types of insurance. Home, auto, health, and life are a few of the most common type of policies purchased. The purpose of insurance is to protect your or your beneficiaries from financial loss. For all types of insurance, verify before you buy! Be sure to verify that your insurance agent and company is legitimate by contacting the Department of Financial Services’ Consumer Helpline at 1-877-MY-FL-CFO (693-5236).

Key Terms
• Copayment - A copayment is a specified amount you pay for a covered service. This amount is paid at the time of service.

• Coinsurance - In property insurance, the coinsurance is the percentage of the value of property you are required to insure to receive full payment on a loss. For health insurance, it’s your costs for each covered service. You will pay coinsurance plus the deductible. For instance, if your coinsurance is 20 percent, you will pay your deductible plus 20 percent of the covered services.

• Deductible – The initial dollar amount you are to pay before insurance benefits are paid. For example, if a health plan has a $250 annual deductible, you are responsible for the first $250 of medical expenses each year. In property insurance, the deductible applies to each claim.

• Beneficiary – In life insurance, the beneficiary is the person entitled to the proceeds of a life insurance policy when the insured (which could be you or another person) dies.

• Free Look Period – A specified period when you are able to terminate an insurance contract without penalties. Variable Life policies do not have a free look period.

• Grace Period – In life and health insurance including health maintenance organizations (HMOs), it’s the period of time allowed after the premium due date to make a payment without penalty. There are no grace periods in property insurance.

Life Insurance
Life insurance provides a specific cash benefit to your family after you pass away. This specific amount known as the death benefit may help your family meet many important financial needs such as: funeral expenses, daily living expenses, and college tuition. Also, life insurance proceeds are tax exempt.

Types of Policies
• Whole Life/Permanent Life: Whole life is also referred to as permanent insurance or ordinary life insurance. Whole life insurance provides financial protection the entire lifetime of the insured or to age 100.
Premiums remain the same for the life of the insured or as long as premiums are paid. During the early years of the insurance policy, the premiums are greater than the amount necessary to pay policy costs. The excess accumulates cash value in the policy to offset increased insurance costs as the insured ages or to fund the non-forfeiture provisions of the contract.

- Term Life/Temporary Life: Term life insurance policies provide financial protection for a temporary period of time and may or may not be renewable. They are normally written for individuals who need large amounts of coverage for specific periods of time. Most term life policies do not accrue cash value.

  Initial premiums are usually much less than permanent plans, but may increase each year or remain level for a specified period, depending on the type of term insurance.

- Universal Life/Flexible Premium Adjustable Life: A universal life policy is an annual term life insurance policy with a side fund that accrues interest. As the cost of the term insurance increases each year, the side fund is used to offset the cost. Properly funded, this allows out-of-pocket premiums to remain level.

  The side fund grows based on current interest rates. When rates are high, the side funds do well, when rates are low, the side fund does not grow much.

  Eventually, the cost of the term insurance can grow to an amount higher than the premium and money is withdrawn from the side fund to help pay the increased cost of the term insurance. If interest remains low, the side fund may be depleted and the insured will have to increase premiums accordingly or reduce the face amount of the policy.

- Industrial Life/Small Value Life: Industrial life insurance is a form of life insurance, usually whole life, in which the premiums are payable on a monthly or weekly basis. Premiums are usually collected by an agent of the company. The policies usually have a face amount less than $5,000.

To gain a better understanding of all the coverage and limitations of life insurance, view these Life Insurance Guides [http://www.myfloridacfo.com/Division/Consumers/UnderstandingCoverage/Guides/Default.htm](http://www.myfloridacfo.com/Division/Consumers/UnderstandingCoverage/Guides/Default.htm)

**Health Insurance**

Health insurance protects you and your family from unexpected medical expenses and may allow you to receive preventive care such as: vaccines, screenings and checkups.

Policies can be issued to individuals, employer/employee groups, or to members of associations. Some coverage is provided by self insured funds, not regulated by the State of Florida’s Office of Insurance Regulation.

Policies can be issued directly by the insurer or through the marketplace provided by the Affordable Care Act. It’s also important to note that policies are available through the marketplace for individuals of domestic violence anytime during the year. These individuals qualify for a special enrollment period and are not required to wait until open enrollment.
Below are the basic forms of health insurance:

**Preferred Provider Organization (PPOs)**
PPOs offer a provider network to meet your health care needs. You contract with a group of health care providers to control the cost of providing benefits. These providers charge lower-than-usual fees because they require prompt payment and serve a greater number of patients. You usually choose who will provide health care, but typically pay less in coinsurance with a preferred provider than with a non-preferred provider.

**Exclusive Provider Organizations / (EPOs)**
In an exclusive provider organization (EPO) arrangement, an insurance company contracts with hospitals or specific providers. Members insured under the EPO must use the contracted hospitals or providers to receive benefits by these plans. These are gaining popularity in Florida.

**Health Maintenance Organization (HMOs)**
A Health Maintenance Organization (HMO) is a form of pre-paid health care that may be purchased by both individuals and groups. Members of a HMO are referred to as “subscribers.” To become a HMO subscriber, you must reside in a specified geographic area served by the HMO. Once enrolled, you pay a monthly premium, which entitles you to use the medical services and facilities of the HMO’s participating physicians, hospitals, pharmacies and other health care providers. In addition to premium payments, HMOs generally require a co-payment which the you pay each time you see a physician. As a subscriber, you are to select a primary care physician (PCP) from the HMO’s list of contracted providers. The PCP will provide the member with all primary care and referrals. With exceptions for true emergencies, you should normally contact the chosen PCP prior to receiving medical services from any other provider, such as a specialist. HMOs are considered the most restrictive form of health care coverage because of the referral requirements. However, this type of managed care feature also means a HMO plan may be the most economical health care option for many people.

**Health Insurance Tips**
- Individual health insurance plans (not HMO’s) regulated by the State of Florida have a 10-day free-look provision. This allows you to return the policy and receive a full refund if you are not happy with the policy.
- An individual policy must include a grace period provision. The grace period is 7 to 31 days, depending on how the premium is paid. Individual HMO’s must provide at least a 10 day grace period.
- Review your policy carefully!! Read and understand your deductible and coinsurance provisions. Understand your responsibility if you need a referral to see a specialist. Also, understand your rights to file an appeal or grievance if a claim is denied that you feel should be paid.
- Health Insurance & HMO Guide: This guide will help you shop for a specific type of insurance or HMO and provide additional information on insurance products. [http://www.myfloridacfo.com/Division/Consumers/UnderstandingCoverage/Guides/documents/HealthGuide.pdf](http://www.myfloridacfo.com/Division/Consumers/UnderstandingCoverage/Guides/documents/HealthGuide.pdf)
Insurance and Benefits

Homeowners Insurance
Homeowners’ insurance protects your financial interest if your home is damaged or destroyed by a covered peril. A peril is something that causes or may cause injury, loss or destruction, such as fire, tornado or a hurricane.

Insurance policies differ between companies so it’s important that you take the time to review your policy and the coverage with an insurance agent to ensure you have the coverage you need. It is too late to obtain additional coverage after a loss has occurred.

Types of Policies
There are many different types of homeowners’ insurance policies available. Typically, the type of policy corresponds with the type of structure to be insured and how the structure is occupied. The type of policy also correlates to the coverage available as well.

- Owner-Occupied - The main difference between policies which cover an owner-occupied, single family home is the perils covered. Basic or Broad Form policies (HO-1, HO-2) cover the structure for specified perils shown in the policy. Special form policies (HO-3) cover the structure for all perils except those specifically excluded in the policy.

- Condo unit owners need a Condominium Unit-Owners Form (HO-6), which provides some coverage for the structure but primarily covers the personal property and liability of the insured. Condo unit owner’s policies normally cover named perils listed in the policy. However, a special endorsement can be purchased to broaden the policy to cover all perils except what is excluded in the policy.

The condo unit owner’s policy also provides Loss Assessment Coverage. It pays for your share of expenses for a covered loss to common property shared by all unit owners, up to the coverage limit. Policies must include at least $2,000 of loss assessment coverage with a deductible no greater than $250.

- Renters: If you rent or lease your home, you need a renters policy (HO-4) to cover your personal property and liability.

  - Mobile Home: Many insurers have discontinued the sale of mobile home policies that duplicate homeowners’ policies. Instead, many insurers issue a dwelling form to cover a mobile home. The coverage provided by a dwelling form may be more restrictive than a mobile home policy.

Coverage

- Homeowners’ insurance typically covers the dwelling including attached structures, certain unattached structures and your personal property. Additional Living Expense (ALE) and coverage for Liability is also normally included. All coverage is subject to the limits specified in the policy.

  ALE pays reasonable “excess” expenses if you must live elsewhere while to the property is inhabitable.

  There are special limits on certain personal property such as jewelry, guns, furs, money, cameras, art or antiques, etc. You should review this list found in your policy and speak to your insurance agent about additional coverage if needed.

- Most homeowners’ policies exclude flood damage (rising water). Depending on your
home’s location, however, you may qualify for flood insurance through the National Flood Insurance Program. In some instances you may be able to secure flood insurance through the same insurance company that already provides your homeowners’ insurance policy.

- Inflation Guard - Many insurance companies include a provision known as inflation guard in homeowners’ insurance policies; values increase on a yearly basis. However, this does not guarantee the values increase sufficiently to keep up with the cost of construction. This provision helps prevent problems of homes being underinsured. It is still your responsibility to evaluate your coverage each year to determine if the amount on the policy is sufficient. If you have concerns about the amount of coverage, speak to your insurance agent about completing a new replacement cost estimate for your home.

TIPS for Homeowners

- Prepare a Home Inventory Checklist - A home inventory – along with photos and proof of ownership – will make it easier to file an accurate, detailed insurance claim in case your home is damaged or destroyed. You should keep receipts for large purchases or keep your credit card statements. You may be asked to prove that you owned the item in question. It is always a good idea to take pictures or videos of your property as well.

- Homeowners’ Inventory Toolkit – This toolkit provides more detailed information regarding homeowners’ insurance. It also includes a sample policy and a home inventory that you may use. [http://www.myfloridacfo.com/Division/Consumers/UnderstandingCoverage/Guides/documents/HomeownersToolkit.pdf](http://www.myfloridacfo.com/Division/Consumers/UnderstandingCoverage/Guides/documents/HomeownersToolkit.pdf)

- Keep a copy of your important documents in another location. In the event your home is totally destroyed, you will have the documents needed to settle a claim with your insurance company.

Renters’ Insurance

Renters’ insurance covers you against financial loss if your personal property (contents) is damaged or destroyed from a covered peril. A peril is something that causes or may cause injury, loss or destruction, such as a fire, tornado or hurricane. A list of normally covered perils is included under the “coverage” section of your policy. In some cases, flood coverage may be added to your policy. If your company doesn’t provide flood coverage for your personal property, a separate policy can be purchased. If you are interested in coverage for flood, you should consult an insurance agent.

Insurance contracts vary between insurance companies so you should always review the coverage provided in your policy to determine whether you have the coverage you need. It’s too late to obtain additional coverage after a loss has occurred.

Determining Your Needs

You may be asking yourself, do I need renters’ insurance?

You can determine this by asking yourself the following questions:

- How much is my personal property worth?
- Can I afford to replace my personal belongings if they are destroyed or stolen?
Insurance and Benefits

- How would I pay an attorney to defend me if I caused property damage or bodily injury to someone and were sued? Bodily injury can be caused by many things, for example, a slip and fall at your residence.

- How would I pay the additional cost of temporary housing if the residence where my personal property is located was destroyed?

If you decide you need renters’ insurance, next determine how much insurance you need. To do so, take an inventory of your personal property. An inventory form is included in our Renters’ Insurance Toolkit for your convenience. List each item, when it was purchased and the purchase price. Include serial numbers if available.

Once your inventory is complete, total the amounts to get a rough idea of what your personal property is worth. It is not uncommon to discover you have a lot more invested in personal items than you realized.

Keep in mind while listing your personal property, limitations may apply to some items unless additional coverage is purchased. Some of the limitations are discussed further. Also, policies may contain an inflation guard which increases coverage by a certain percentage each year. However, it’s your responsibility to make sure you have adequate coverage.

The following are some of the factors influencing the premium you pay for the amount of coverage you select:

- The kind of coverage you select
- The deductible you select
- The location of your residence
- The construction of your residence
- The age of your residence
- The age of the roof, plumbing, electrical wiring, heating and air conditioning unit
- Your prior claims experience

Coverage

Personal Property/Coverage C: Your personal property is normally covered anywhere in the world; unless, the property is located at another residence owned by you and not insured. If your property is located in another residence owned by you, but not insured, the policy may limit the amount of coverage provided to 10% of the total coverage. Most policies also include limited coverage for improvements or enhancements that you make to the residence.

There are special limits on certain items such as jewelry, guns, furs, money, cameras, art, antiques, etc. You should review this list found in your policy and consult an insurance agent about additional coverage if needed.

Coverage is typically issued to cover “named perils,” including, but not limited, to fire or lightning, windstorm or hail, explosion, etc. Sinkhole coverage “may” be purchased by paying an additional premium.

Coverage can be obtained that pays claims based on the “actual cash value” of the personal property at the time of loss or that settles claims on a “replacement cost” basis. This is something you should discuss with an insurance agent.

- Actual cash value means the cost to replace an item less depreciation. In other words, if
damage occurred to a television that had a 10-year life expectancy and you owned the television for 5 years, notwithstanding any deductible, the settlement would be 50% of the cost to replace the television because 50% of the life expectancy has already been used. Your loss consisted of the remaining 50%.

- Replacement cost pays for the cost of replacing the damaged or destroyed item. In the example above, with replacement cost coverage, you can replace the damaged television with a new one without a deduction for depreciation as long as the new one is the same like, kind and quality of the damaged one. If you have replacement cost coverage but elect not to replace a damaged or destroyed item, the insurance company will only pay the actual cash value for the item.

**Loss of Use/ Coverage D:** Loss of use provides coverage for additional living expenses and/or fair rental value.

“Additional living expense” covers your excess expenses if you must live elsewhere due to a loss to the residence where your insured personal property is located. In many instances, coverage is provided if a civil authority, such as a local, state, or federal governmental agency, prohibits you from living in the residence as a result of direct damage to neighboring premises by a covered peril. Additional living expense pays only reasonable “excess” expenses until the property is habitable.

As an example, let’s say your family normally spends $200.00 a week for groceries. As a result of the damage to your kitchen, you can no longer cook, so you will eat out for all of your meals. The cost of eating out for your family averaged $400.00 a week. The insurance company should pay the difference between the amount you normally spend for groceries and the amount it cost to eat out, which is $200.00.

The additional living expense must normally be incurred prior to reimbursement. Obtaining reimbursement for additional living expenses is always contingent on providing the insurance company with receipts. Be sure to save all receipts, regardless of the amount.

Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

**Liability/Coverage E:** Coverage E covers you for amounts you become legally liable to pay due to bodily injury, which could be caused by many things, for example, a slip and fall at your residence or the property damage of others, including the cost of defense. The insurance company’s duty to settle or defend ends when the policy limit is exhausted.

**Medical Payments to Others/Coverage F:** Coverage F covers medical and other related expenses for members of the public injured through your personal activities on your property, without regard to the insured’s legal liability.

**Eligibility**

Once you submit an application for insurance, the insurance company will decide if you or your property is eligible for coverage. All insurance companies use underwriting guidelines to determine eligibility; however, these guidelines vary between companies.

Here are a few of the most common things an insurance company reviews when determining whether to insure a new applicant, how much to charge or whether or not to offer a renewal policy:

- The age of the home, roof, plumbing, electrical wiring or the heat and air. Even though a renters’ policy does not provide coverage
for the structure itself, with the exception of improvements or enhancements made by the insured, these factors can contribute to personal property losses.

- The condition and location of the residence and who occupies it.

- Your credit and loss history. If the insurance company does make an underwriting decision based on adverse information contained on a credit report, they must provide you with a copy of the report or provide the name, address, and telephone number of the reporting agency.

The insurance company may refuse to insure an individual who owns certain animals. Most insurance companies believe the presence of certain animals on the premises increases liability risk.

If an insurance company refuses to insure you or if it decides not to renew or cancel an existing renters’ policy, it must provide you with advance notice and the specific reason for the decision. Insurance companies can take up to 90 days to decide whether you meet its underwriting guidelines. Within this 90-day period, a company must give you a 20-day notice if it intends to cancel the policy, except for nonpayment of premium, which requires a 10-day notice.

After 90 days, your company may only cancel your policy if:

- You don’t pay your premium;

- You provided false information on your application;

- You failed to follow the company’s requirements; or

- You increased your risks through new activities or home improvements.

For reasons other than nonpayment of premium, the company must provide a 120-day notice before it may cancel your policy.

Companies can always non-renew under certain limitations, your policy with proper notice. The non-renewal notice must be provided at least 120 days in advance.

You may cancel your policy at any time by providing a written request. You should receive a refund of any unearned premium, which is the amount that hasn’t been earned by the insurance company. You are only required to pay for the period of time you used the coverage. However, if you cancel an insurance policy before the coverage period is over, the company may retain 10% of the unearned premium amount.

**Your Insurance Policy**

It is important to thoroughly review your renewal policy.

Your insurance company is required to inform you of any change to your policy terms. They must provide you with written notice of the change with a renewal premium notice or it may be sent separately within the same timeframe.

Your insurance company may not use the “Notice of Change in Policy Terms” to add optional coverage that increases your policy premium without your strict approval. Optional coverage is defined as the addition of any new insurance coverage that you have not previously requested or approved.
Once your premium payment for the renewal policy is received by the insurance company, it is deemed to be your acceptance of the new policy terms.

If your insurance company fails to provide the required notice, the original terms remain in effect until the next renewal and the proper notice is given or until the effective date in which you receive the replacement coverage.

Suffering a Loss
Now, let’s discuss the steps you should take if you have damage or injury on your property. The first step is to determine if the amount of the loss exceeds your policy deductible. If the damage exceeds your deductible, promptly report the loss to your agent or insurer. The insurer will assign an insurance adjuster to handle your claim.

It is important to take appropriate steps to prevent further damage after a loss. This could mean moving your personal property to a temporary location or performing emergency repairs to the residence to prevent further damage. You should keep all of your receipts for costs related to protecting your personal property from further damage. You should separate the damaged personal property from the undamaged.

An inventory of the damaged personal property must be completed in the same manner as you did when determining the value of your personal property. An inventory form is included in our Renters’ Insurance Toolkit for your convenience.

Also, you should never throw away any damaged personal property until instructed to do so by the adjuster. The company must be given the opportunity to inspect the damaged property or they may deny your claim.

Make sure your adjuster is properly licensed in Florida. If you have any questions about the license status of an adjuster or the way your claim was handled, call the DFS Consumer Helpline toll-free at 1-877-My-FL-CFO (1-877-693-5236).

Keep a phone log of the dates, times and names of all persons you speak with regarding your claim. Also keep a copy of anything you sign. A sample log is located in our Renters’ Insurance Toolkit. You should use the log to record the name and contact information for the adjuster assigned to your claim as well as any conversations you have. You should also document attempts to contact the adjuster that were unsuccessful or conversations with others regarding your claim. This information may be beneficial at a later date.

Tips for Renters
Here are a few more Renters’ Insurance tips to consider.

Verify before you buy! Contact us at 1-877-693-5236 to verify the license of the agent and the insurance company before you sign an application for a policy.

Review our Renters’ Insurance Toolkit, which includes a home inventory checklist for you to use. Having a list of your personal property will assist you when filing a claim. The list should include the date of purchase, the purchase price, the manufacturer’s name along with the model and serial number, if available. Also keep receipts for large purchases or keep your credit card receipts when paying by credit card. We recommend taking photos or videos of the personal property in your residence as well. When you have a loss, it is your responsibility to prove you actually owned the personal property being claimed.

Review your coverage amount on a regular basis. You may purchase additional items during the year or make improvements or enhancements to the residence without realizing the need to increase the
Insurance and Benefits

amount of coverage you have. Make it a general practice to review your amount of coverage at each renewal to make sure limits are sufficient.

Read your policy carefully. Insurance policies differ between insurance companies so you must review your contract. Insurance policies do not cover everything, read the exclusions. Also, there are limitations on certain types of personal property, such as but not limited to antiques, firearms, jewelry, furs and electronics, including computers and their equipment. In most instances, additional coverage may be purchased for these items. Consult your agent about additional coverage.

Keep a copy of your important documents in another location. In the event your home is totally destroyed, you would have copies of all of your important documents, including receipts. You may need to settle a claim with your insurance company and need proof of certain items.

And finally, you should contact us at 1-877-693-5236 in the event you need to file a complaint regarding your insurance company, agent or adjuster.

Personal Automobile Insurance

Personal automobile insurance covers private passenger vehicles. It provides protection against economic loss from bodily injury or property damage to others (liability) arising from the operation, maintenance, or use of a covered automobile. Coverage may also be purchased for damage to vehicles owned by you (Collision & Other than Collision).

When shopping for a policy, beware of terms such as “full coverage” and “what’s required.” What one company considers “full coverage” or “what’s required” may differ from another company. You should determine the type and amount of insurance you need.

Coverage Available in Florida

- Bodily Injury Liability (BI) Coverage: pays for death or serious and permanent injury to others when you are legally liable for those damages. It also includes coverage for defense if you are sued.

- Property Damage Liability (PD) Coverage: pays for damages you are legally liable for resulting in the physical damage to, or destruction of, tangible property of another, including loss of use. It also includes coverage for defense if you are sued. Florida law requires a minimum of $10,000 in this coverage.

- Personal Injury Protection (PIP) Coverage: pays 80 percent of all necessary and reasonable medical expenses incurred as a result of a covered injury, regardless of who caused the accident. This includes medically necessary surgical, x-ray, dental, and rehabilitative services, including prosthetic devices and medically necessary ambulance, hospital, and nursing services. Payment is based on the fact an individual receives initial services and care within 14-days after the motor vehicle accident. Follow-up care is contingent on the covered person being diagnosed with an emergency medical injury. PIP also pays 60 percent of work loss and a $5,000 death benefit. The $5,000 death benefit is an additional amount of insurance.

- Uninsured/Underinsured Motorist (UM) Coverage: pays for an accidental bodily injury, sickness or disease, including death, when such an injury is the result of an automobile accident and the at-fault party does not have Bodily Injury (BI) Coverage or has liability limits lower than what is needed.
• Medical Payments (Med Pay) Coverage: pays reasonable expenses for necessary medical and funeral services due to a bodily injury or death sustained in an automobile accident, regardless of fault.

• Comprehensive or Other than Collision Coverage: pays for damage to a vehicle from incidents other than a collision including: fire, theft, windstorm, vandalism or flood. It also covers damages caused by falling objects or from hitting an animal.

• Collision Coverage: pays for repair or the actual cash value of your vehicle if it collides with another vehicle, flips over, or crashes into an object (except animals), regardless of who causes the accident.

• Towing & Labor Coverage: provides coverage for emergency road service (at the scene) and towing up to the limits shown on the policy.

• Rental Reimbursement: provides reimbursement for automobile rental up to a specified limit shown on the policy. It applies if you get into an accident with your automobile and can no longer drive it, and usually if the auto is stolen. Some insurance companies ask you to rent/lease the replacement vehicle and then submit receipts for reimbursement.

Discounts That May be Available
Contact your insurance agent to review the discounts the company offers that you may be eligible to receive. Below are discounts some insurers offer to those who qualify:

• 55-Alive: Drivers 55 or older may qualify for a discount by successfully completing an accident prevention course approved by the Department of Highway Safety and Motor Vehicles.

• Driver Improvement Course: A premium discount, not to exceed 10%, may be given for those who complete a driver improvement course approved and certified by the Department of Highway Safety and Motor Vehicle.

• Driver Training: A driver training discount may be given by insurance companies when a young driver completes a driver’s education course.

• Educational: An educational discount may be given by insurance companies if a student maintains a certain grade point average in school.

• Multi-Car: A multi-car discount may be given when coverage is provided on the policy for more than one vehicle at the same location.

• Multi-Line: An insurance company may include a discount for having more than one kind of insurance with the same company, i.e. auto and home.

• Paid in Full Policy: An insurance company may provide a discount to policyholders who pay their premium in full.

• Safe Driver: Safe driver discounts may be given to drivers who have no or few accidents and violations.

• Specified Equipment: Florida law requires discounts for the following specific motor vehicle equipment:

  • Factory installed four-wheel anti-lock brakes (applied to liability, PIP and collision coverages).

  • One or more factory installed airbags (applied to PIP and medical payments coverage).

  • Vehicle I.D. etched permanently into the windshield and all windows. The numbers must be at least 1/4 inch in height (applied to comprehensive coverage).

  • Approved anti-theft devices or vehicle recovery system (applied to comprehensive coverage).

For more information on automobile insurance, view these consumer guides: [http://www.myfloridacfo.com/Division/Consumers/UnderstandingCoverage/Guides/Default.htm](http://www.myfloridacfo.com/Division/Consumers/UnderstandingCoverage/Guides/Default.htm).
Your Safety
Your safety is important. Making informed decisions about staying or leaving an abusive relationship may be critical to your safety.

You are the expert in your relationship and the only one who knows what is right and safe for you.

Do I Need a Safety Plan?
If you are experiencing domestic violence, you may want to consider strategies that will help you stay safe. Whether you are living with an abusive partner, planning to leave or have already left the situation, advocates at one of Florida’s certified domestic violence centers or The Florida Domestic Violence Hotline can assist you with developing safety strategies.

Safety Planning is for Those:
• Living with an abuser - because the danger can occur at any time.
• Planning to leave - because few abusers allow their victim to leave peacefully.
• Living separately - because danger often increases after a survivor leaves or ends a relationship.

To create a safety plan with a domestic violence or dating violence advocate, please call:

Florida Domestic Violence Hotline
1-800-500-1119
TTY: 1-800-621-4202

National Domestic Violence Hotline
1-800-799-7233
TTY: 1-800-787-3224

You Are Not Alone
Florida’s certified domestic violence centers have trained advocates who are dedicated to assisting you with finding options and developing your safety plan. Advocates on the Florida Domestic Violence Hotline or at a certified domestic violence center are available to talk to you 24 hours a day, 7 days a week. All domestic violence services at a certified domestic violence center are free and confidential.

All of Florida’s certified domestic violence centers provide: emergency shelter, 24-Hour Hotline,
advocacy, children’s program, community education, crisis counseling, service management, professional training, safety planning, information and referrals, court/legal advocacy, outreach, primary prevention programming, support groups and assist with the relocation assistance application. Each center provides a number of specialized services based on the local community needs.

A full list of domestic violence centers in Florida can be found here - http://www.fcadv.org/centers/local-centers.

Safety Tips
NOTE: As you review the tips below, please think about your situation and what may or may not work for you; safety is your top priority.

While Living With the Abuser, Consider the Following:

• Erase the browser history from your computer. If you do not know how to erase the history, consider asking someone to teach you or call the Florida Domestic Violence Hotline to speak with an advocate who can help you.

• Change personal identification numbers (PINs) for individual accounts, mailing addresses and passwords.

• Use a different bank if possible and open a new account (checking and/or savings). Identify an alternative mailing address for the statements.

• Save a little money each week, if your partner will not notice.

• If it is safe to gather important documents and financial papers, keep them together and in a secure place. Examples include: bank statements, pay stubs, award letters for benefits, etc.

• Identify an alternative mailing address for future documents to be mailed and order those that are missing.

• Keep some money for food, traveling, lodging, etc. with a trusted friend or family member. If you have to leave quickly in an emergency, you will have access to money to get away.

If you decide to leave/end the relationship:

• Inform employers, banks, credit card companies, etc. of any change of address or change of circumstances.

• Arrange for mail to be forwarded to a safe address.

• Use a different bank/post office and go at different hours than when you were with your partner. Change up the routine.

• Change any bank card PINs.

• Consider using online banking; change passwords if already accessing your account online.

• Speak with an advocate at the Florida Domestic Violence Hotline or at a certified domestic violence center about the financial help you are entitled to.

• Budget your money using a budget planner, worksheet or calculator such as those listed on the Your Money Matters website- www.MyFloridaCFO.com/YMM.

• Do not ignore any debts you may have and seek financial advice only from qualified advisors.

• Disentangle yourself as soon as possible from any joint finances, especially debts or opportunities for your partner to acquire debt in your name.

Financial Safety Planning
Financial Safety Planning

The following is a list of important documents/information to take with you if you leave. Be sure to take items for you and your children or other dependents. If there is time, the other items might be taken, or stored outside of the home. If possible to do safely, consider placing the items in one, easily accessible location, so if you have to leave in a hurry, you can grab them quickly.

- Identification/driver’s license and registration
- Birth certificates
- Social Security cards
- School and vaccination records
- Money
- Checkbook
- ATM card
- Credit cards
- Keys: house, office, vehicle, storage facility, lock box
- Medications
- Copy of protection order, if applicable
- All public benefit cards/information and identification, i.e. EBT, TANF
- Child support documentation
- Work permits
- Tax returns of the past two years
- Green cards
- Passports
- Divorce papers
- Medical records
- Insurance cards
- Lease/rental agreement
- House deed
- Car title
- Mortgage payment book
- Loan information
- Address book
- Pictures
- Jewelry
- Children’s favorite toys and/or blankets
- Items of special sentimental value
- Photos of your family’s most valuable assets
- Retirement plans and statements

You may also wish to jot down a few important phone numbers:

Telephone numbers to consider:

Police/Sheriff’s Department (local) - 911 or __________________________

Prosecutor’s Office ________________________________________________

Local Certified Domestic Violence Center/Emergency Shelter __________________________

Florida Domestic Violence Hotline: 1-800-500-1119

National Domestic Violence Hotline: 1-800-799-SAFE (7233)
                                           800-787-3224 (TTY)
                                           www.ndvh.org

Work Number ___________________________________________________________________

Supervisor’s Cell and Home Number ____________________________________________

Keep this document in a safe place and out of the reach of the abuser.
Address Confidentiality Program  
Florida Attorney General’s Office  
1-800-226-6667  
www.myfloridalegal.com

Annual Credit Report  
1-877-322-8228  
www.annualcreditreport.com

Florida Coalition Against Domestic Violence  
850-425-2749  
http://www.fcadv.org/

Florida Department of Children and Families  
ACCESS Florida - Assistance Programs  
1-866-762-2237  
Florida Relay 711 or TTY 800-955-8771  
http://www.myflfamilies.com/service-programs/access-florida-food-medical-assistance-cash

Florida Department of Financial Services  
Division of Consumer Services Helpline and Financial Education  
1-877-MY-FL-CFO (693-5236)  
Consumer.Services@myfloridacfo.com  
Your Money Matter$ - www.MyFloridaCFO.com/YMM

Florida Domestic Violence Hotline  
1-800-500-1119  
TTY: 1-800-621-4202

National Domestic Violence Hotline  
1-800-799-7233  
TTY: 1-800-787-3224  
www.ndvh.org
Florida’s 42 certified centers and the counties they serve

1. Abuse and Counseling Treatment: Lee, Hendry, Glades
2. Aid to Victims of Domestic Abuse: Palm Beach
3. Another Way: Columbia, Dixie, Gilchrist, Hamilton, Lafayette, Levy
4. Center for Abuse and Rape Emergencies, Inc.: Charlotte
5. Community Action Stops Abuse: Pinellas
6. Citrus County Abuse Shelter Association: Citrus
7. Dawn Center of Hernando County: Hernando
8. Domestic Abuse Council: Volusia
9. Domestic Abuse Shelter: Monroe
10. Family Life Center: Flagler
11. FavorHouse of Northwest Florida, Inc.: Escambia, Santa Rosa
12. Harbor House of Central Florida: Orange
13. Haven of Lake and Sumter Counties: Lake, Sumter
15. Hope Family Services: Manatee
16. Hubbard House: Duval, Baker
17. Lee Conlee House: Putnam
18. Martha’s House: Okeechobee
19. Miami-Dade Advocates for Victims (Safespace North and South): Miami-Dade
20. Micah’s Place: Nassau
21. Ocala Domestic Violence/Sexual Assault Center (Creative Services, Inc.): Marion
22. Peace River Center Domestic Violence Shelter: Polk, Hardee, Highlands
23. Peaceful Paths: Alachua, Bradford, Union
24. Quigley House: Clay
26. Safe Place and Rape Crisis Center: Sarasota, DeSoto
27. SafeHouse of Seminole: Seminole
28. Safespace, Inc.: Martin, St. Lucie, Indiana River
29. Safety Shelter of St. Johns County (Betty Griffin House): St. Johns
30. Salvation Army Brevard County Domestic Violence Program: Brevard
31. Salvation Army of Panama City Domestic Violence and Rape Crisis Program: Bay, Calhoun, Gulf, Holmes, Jackson, Washington
32. Salvation Army Domestic Violence Program of West Pasco: Pasco
33. Serene Harbor: Brevard
34. The Shelter for Abused Women and Children: Collier
35. Shelter House: Okaloosa, Walton
36. Sunrise Domestic Violence and Sexual Violence Center: Pasco
37. The Haven of RCS: Pinellas
38. The Spring of Tampa Bay: Hillsborough
39. Vivid Visions: Suwannee
40. Women in Distress: Broward
41. YWCA-Harmony House: Palm Beach
42. Victim Response, Inc. (The Lodge): Miami-Dade
Map of Certified Domestic Violence Centers in Florida.

Contact information for each can be found here

http://www.fcadv.org/centers/local-centers
Financial education resources and information to empower and assist survivors of domestic violence become financially independent.