

Does Homeowners Insurance Cover Electrical Wiring?

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In this blog, we will cover:

Residential electrical wiring is usually covered under homeowners insurance policies for included electrical repairs and related damage. However, older homes with *outdated types of wiring* like knob and tube or aluminum wiring are likely to be more difficult to get coverage and cost more to insure. The higher cost of homeowners insurance in such cases is due to the significantly greater fire hazard that these kinds of older wiring present.

Insuring Older Homes with Outdated Electrical Systems

In preparation to buy, live in, and insure an older home, have it inspected by a licensed electrician to be sure that all wiring is in good condition. *Updated wiring* allows homeowners insurance company underwriters to price the premium for your policy at a better rate. *Outdated wiring* necessitates a premium cost increase sufficient to cover the carrier's higher risk in insuring a home with relatively wiring hazards.

So, if you have wiring in your home updated, be sure to advise your insurance company, and ask if you qualify for a *new-wiring credit* or other modification of your premium price.

What are indicators that a house may have outdated wiring?

- Your house is over 40 years old.
- The house has two-prong ungrounded outlets.
- There are frequently fuses blown or breakers tripping in your home.

- Outlets emit sparks or cause a shock when plugging or unplugging cords.
- There is an electrical buzzing noise in the house.
- Lights sometimes go dim or may flicker on and off.
- There is a burning odor.
- The dishwasher or other large appliance strains the electrical system.

Insuring Homes with Knob and Tube Wiring

Insurance is available to cover older homes with this kind of old wiring. But, with knob and tube wiring, insurance for your home is likely to cost more. Most insurance carriers will charge more to cover the increased level of loss risk due to the greater electrical fire hazard that knob and tube wiring presents. Other insurance companies will probably not insure a home with this wiring type at all.

Knob and tube wiring was an early generation of house wiring, used in homes built between 1880 and the 1950s. Ceramic knobs were attached to anchor sections of electrical wire *to* the structural frame and porcelain tubes were inserted at points where the wiring passed *through* the framing.

Why is knob and tube wiring considered hazardous?

- *Insulation around wiring:* Knob and tube wiring that is enveloped in insulation, heat buildup can be a serious electrical fire hazard.
- *Aged wiring insulation:* Insulation around the knob and tube wiring can deteriorate over time, becoming, and the dry material can crack, causing dangerously exposed wires.
- *No grounding:* There is no ground conductor, which presents both a shock hazard and a fire hazard in bathrooms and kitchens, where water and electricity are more likely to accidentally come into contact.
- *Inappropriate modifications:* Modifications of the old wiring may have been made in order to accommodate the higher voltage required to supply today's modern kitchen appliances, televisions.

Insuring Homes with Aluminum Wiring

Homeowners insurance is available to cover homes with aluminum wiring but, as in the case of knob and tube wiring, you may be met with higher premium rates. This is because, as reported by the U.S. Consumer Product Safety Commission, houses with aluminum wiring have a 55 times greater likelihood of containing at least one outlet that is in a condition that presents a fire hazard than a copper wired home.

During the decade from the mid-1960s through the mid-1970s, aluminum was the most common type of wiring for new home construction. This is largely for cost savings because the material was less expensive than copper.

Why is aluminum wiring considered hazardous?

- *Oxidation:* Aluminum oxidizes more rapidly than more costly copper wiring. This faster deterioration means an increased likelihood of overheating, extreme vibration, and other hazardous electrical problems.
- *Poor durability:* Aluminum wiring is not as strong or damage-resistant, and does not have as long a lifespan as more durable and overall safer copper wiring.

Does House Insurance Cover Electrical Faults?

A home in which there is a short circuit or other abnormality in an electrical current somewhere between points along with the circuitry, is unlikely to be acceptable for insurance underwriting, even at an increased rate. You may be able to obtain immediate coverage by finding an insurer who is willing to work with you to have fire loss coverage excluded from the policy. But, most reputable insurance companies will likely require proof of corrective action to repair electrical problems prior to approving your new policy.

Home Electrical Safety Inspection

Have a professional home electrical safety inspection for the ideal identification of electrical issues that need repair. To start your information gathering process, use this handy preliminary DIY home electrical safety inspection checklist to help identify any concerns that may negatively impact your homeowner's insurance rates. Correct electrical issues as necessary to minimize the amount you pay for a policy to insure your home.

Access the Home Electrical Safety Checklist by clicking this [link](#).

DK Electrical Solutions, Inc., Pemberton New Jersey

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