

Save on Homeowner's Insurance

If you've tried to shop around for homeowner's insurance lately, you know that the market is flooded with options.

Knowing where to start can be an overwhelming experience. But the time you invest into finding the right policy can help save you a lot of money in the long run, so it's worth it to do your homework.

The tricky part is knowing where to start.

Read on for some things to consider when buying homeowner's insurance.

BE A SMART SHOPPER

A great place to start when you're shopping around is your network. Use social media to see if any of your friends or colleagues will give you advice on their experiences with homeowner's insurance companies and local representatives.

You'll find that word of mouth and referrals are the lifeblood of local insurance agents, and the best ones are focused on providing outstanding policies, advice and interactions to their customers.

You can also check national

organizations that are designed to help consumers stay protected in the marketplace and find the best deals for their money. The National Association of Insurance Commissioners (www.naic.org) has information to help you choose an insurer in your state, including complaints.

You can also check consumer guides, company websites, agent LinkedIn profiles and online insurance quote services. This will give you an idea of price ranges — allowing you to find out which companies have the lowest prices, but also

the most satisfied customers.

Never sign a new homeowner's insurance policy without first looking into at least two to three other providers for their options when it comes to rates and coverage levels.

CHECK YOUR DEDUCTIBLE

Deductibles are the amount of money you have to pay toward a loss before your insurance company starts to pay a claim. Generally, the higher your deductible, the more money you can save on your premiums.

As you shop, you may find that most insurance companies recommend a deductible of at least \$500. Increasing your deductible to \$1,000 can result in as much as 25% savings on your monthly premium, but you would obviously have to pay out a higher amount should you make a claim.

The strategy of increasing your deductible is one to consider if you're looking to save more money on a monthly basis. You may even be able to raise specific deductibles in one policy, especially if you live

in a disaster-prone area. That's because insurance companies in those areas may charge a separate deductible for certain kinds of damages common to that area.

Check with your local home insurance broker to understand all of your available options.

CHECK FOR AGENCY DISCOUNTS

One surefire way to save money on your home insurance policy is to use your agency's grouping discounts. Some companies that sell homeowners, auto and liability coverage will take up to 15% off your premium if you buy two or more policies from them.

If you're able to find a deal like this, experts still recommend you compare the overall rate with different companies as you research.

Other discounts to inquire about include cost reductions for having a home security system, which shows your insurance agency that you're more protected from intruders or emergencies that could occur.

Senior citizens and military members can often find discounts on their policies, as well. Check with your local agent to make sure you're uncovering all of the potential savings when finalizing a new policy.



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REAL ESTATE 101



Insurance Claim History Reporting

Insurers use a system similar to credit reporting to track the claims policyholders make on their homeowners and auto insurance policies. They use this information in deciding who to insure and how much to charge in premiums. Like credit bureaus, these “specialty agencies” must give you a copy of your report if you request one after being denied coverage. Learn more about specialty agencies on the Consumer Financial Protection Bureau’s website at bit.ly/3eT8eVC.

HOMEWIS E GLOSSARY

Term: a fixed or limited period of time for which something lasts or is intended to last (for example, a three-year certificate of deposit, a one-year insurance policy, a 30-year mortgage).

SOURCE: Consumer Financial Protection Bureau

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