

## Make Common Sense Claims

Once you've chosen an insurer, remember that insurance is for major losses, not regular maintenance of your home. Taking care of your house and using common sense with claims will keep your premiums in check.

## Ask for Help

Insurance agents and customer service representatives are there to help you choose the best policy for your home. Don't be afraid to ask questions and use additional resources if you're having trouble finding insurance. The following links are helpful for insurance shoppers:

### Insure Texas

<http://www.insuretexas.org/>

### Help Insure

<http://www.helpinsure.com/>

### Texas Coalition for Affordable Insurance Solutions

<http://www.tcais.org>

### Texas Fair Plan

<http://www.texasfairplan.org/>

### Texas Department of Insurance

<http://www.tdi.state.tx.us/consumer/cbo35.html>

## Smart Shoppers Save!

## When Insurers Compete, Customers Win!



### Sources:

Texas Department of Insurance, "Shopping Smart"

Insurance Information Institute, "12 ways to lower your homeowners insurance costs"

The USAA Educational Foundation, "Lifeguide Series: Homeowners Insurance"

American Insurance Association, "Homeowners Insurance: Why Costs Go Up and What You Can Do to Save Money"

# Smart Shoppers Save



## A Guide to Shopping Around for Homeowners Insurance

**Today more than ever,** Texans have many options when it comes to buying homeowners insurance. It pays to take advantage of companies competing for your business and shop around to find the best policy to meet your insurance needs.

These tips will help you do just that:

### **Shop Around**

Before you sign on the dotted line, get quotes from several providers and compare premiums. You may ask friends and colleagues for referrals or enlist the help of an insurance agent who can present policy and price options from several companies. Remember to

consider more than cost when choosing an insurer. Customer service should be a priority as well.

### **Determine Your Coverage Needs**

You should buy enough coverage to avoid a major financial loss if your home and belongings are completely destroyed and have to be replaced or rebuilt. Since construction costs change, homeowners should reassess “replacement costs” annually to be sure they’re fully covered. Note that your lender may only require enough insurance to cover your outstanding mortgage balance but that may not be enough to cover “replacement costs.”

If you own valuables like jewelry or collections, you may need “endorsements” that add coverage to your policy.



### **Rethink Your Deductible**

A deductible is the pre-determined amount you pay before the insurance company starts to pay for your loss. To keep your monthly premiums as low as possible, you should choose the highest deductible you can afford in case of a loss.

### **Ask About Discounts**

Many companies offer discounts if you proactively protect your home against a loss. You may get a lower premium if you have a home security system, smoke detectors, fire extinguishers or an impact-resistant roof. You may also qualify for a discount if you buy your auto and homeowners insurance from the same provider.

### **Know the Cost Factors for Insurance Premiums**

Several factors can affect the cost of your premium, including the county where you live, the level of fire protection available such as the distance to the closest fire station, the construction type and condition of your home, and current construction costs. Severe Texas weather, fraud, and the rising cost of lawsuits also drive up the cost of insurance in Texas.

### **Maintain Good Credit**

Credit information is one of many factors used by some insurers to determine insurance premiums because of the proven relationship between credit and the risk of claimed losses. It is important to maintain good credit and monitor your credit history. You can get a copy of your credit report by contacting the three main credit bureaus:



**Experian** [www.experian.com](http://www.experian.com)

**Equifax** [www.equifax.com](http://www.equifax.com)

**TransUnion** [www.transunion.com](http://www.transunion.com)