

12 Ways to Save on your Home Insurance

From Black & Associates Insurance, Inc.

There are many ways to cut the cost of your home insurance. A wide variety of discounts are available, ranging from the type of building material used to build your home to how close you live to a fire station. These discounts will vary by insurance company.

1. Use an Independent Insurance Agent By using an independent agent you can be confident that he/she will check with several different home insurance companies to get the best rate.

2. Raise your Deductible The deductible is the amount of money you have to pay toward a loss before your insurance kicks in. Typically, home insurance deductibles start at \$250-500. Raising your deductible can lead to substantial savings. Furthermore, it is best to have a larger deductible to prevent you from using your insurance for small claims since many insurance companies are now adding a surcharge for as little as one claim. Surcharges can range anywhere from 10-85% depending on how many claims you file during a given time period. *Make sure, however, you can afford to pay the higher deductible out of pocket if something should happen.*

3. Write your Home and Auto Policies with the Same Company Many companies will give a multiline discount if you buy both home insurance and auto coverage from them. This can save you up to 20%.

4. Consider Insurance when Buying a home If you're looking at buying a home, think about the cost of insuring the home. A newer home's electrical, heating, and plumbing systems and overall structure are likely to be in better condition than those of an older home. This can lead to a discount on your premiums.

New Home If your home is less than six years old, you may be entitled to a discount. Some insurers will slash 8% to 15% off the premium. When shopping for a home, keep in mind that companies consider various factors when evaluating a home's eligibility for a reduced rate.

Secured Community Credit Residing in a fully secured (entry protected on a 24-hour basis) or partially secured (card activated entry) community may be all you need to take advantage of this premium credit.

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Local Fire Protection Your home's distance from a fire hydrant and the quality of your local fire department determine your fire protection class. If your home is located more than 5 road miles from a responding fire station and/or more than 1,000 feet from a hydrant then you are likely to pay more for home insurance.

5. Insure your Home, Not the Land While your home and its contents are at risk from fire, theft, windstorms, and other perils, the land your home sits on is not. Don't include the value of the land in deciding how much home insurance you need to buy. Your agent can help you assess the coverage you need.

6. Improve Security and Safety Items such as dead bolt locks, burglar alarms, fire extinguishers, and smoke detectors can usually bring discounts of 5 percent each, depending on the company. Your insurance company may also offer a significant discount of 15 or 20 percent if you install a sophisticated home-security system. If you're thinking about buying such a system, check with your insurer to see which systems you'll get a discount for.

Install a Sprinkler System Well, this may come into some additional cost, but if you have considered adding a sprinkler system (the indoor type) this is just another reason to do so. This would also be a something to consider if you are buying a new home or have plans to build or remodel.

7. Stop Smoking Smoking accidents account for more than 23,000 residential fires every year. Some insurers offer to reduce premiums if no one in the home smokes.

8. Look for Senior Discounts Insurance companies have found that retired people stay at home more and spot fires sooner than working people. Older people also have more time for maintaining their homes. If you're at least 55 years old and retired, you might qualify for as much as a 10 percent discount.

9. Be Loyal to your Company If you've kept your coverage with a company for several years, you may receive special consideration. Several insurers will reduce their premiums by 5 percent after you stay with them for three to five years; and some companies will discount you as much as 10 percent after six years.

10. Check your Policy Annually You want your policy to reflect the value of your home and belongings. If you review your policy every year, you will be able to make the necessary adjustments. If, for example, you just sold a valuable painting, you won't need the same amount of personal property coverage. However, if you've added a garage, you'll need to increase your dwelling coverage.

11. EFT Payments Many companies are now charging \$5.00 or more for mailing statements, but sometimes nothing if you choose to have payments automatically deducted. This also prevents charges for potential late payments.

12. Credit Rating Yes, a lot of companies are checking your credit and basing your policy on what is found. Make sure you check to see if your credit is in good shape, and if it is not, you may want to seek out companies who do not do credit checks.