



Determining Your Insurance Needs for 2015

By John D. Doak, Oklahoma Insurance Commissioner

It's a new year, making it a good time to reflect on our insurance needs. A great deal of things can change in 12 months, which is why an insurance review is recommended. When reviewing your insurance coverage, here are a few questions from the Insurance Information Institute that can help you figure out whether you may need to talk to your insurance professional about making a change to your coverage.

1. Did you get married or divorced?

If you got married, you may qualify for a discount on your auto insurance. Couples may bring two cars into the relationship and two different auto insurance companies, so take the opportunity to review your existing coverage and see which company offers the best combination of price and service.

However, if you got divorced over the past year, you will probably no longer be sharing a car with your former spouse and have likely moved to a different residence. If this is the case, you should inform your insurer as you will need to set up separate auto and homeowners policies.

2. Have you had a baby?

If you have recently added a child to your family, whether by birth or adoption, it is important to review your life insurance and disability income protection.

A new child will add to expenses, requiring more life insurance to keep your family secure. If you plan to save for your child's college education, life insurance can assure completion of that plan. And if you keep your current life insurance policy, don't forget to update the beneficiary designations to include the new child.

3. Did your teenager get a driver's license?

It is generally cheaper to add your teenagers to your auto insurance policy than for them to purchase their own. And choose the car carefully; the type of car a young person drives can dramatically affect the price of insurance.

Also, encourage your kids to get good grades and to take a driver training course. Most companies will give discounts for getting good grades in school and for taking recognized driving courses.

4. Have you switched jobs or experienced a significant change in your income?

In the case of an income increase, you may have taken on additional financial commitments that your survivors will depend on. Make sure to review your life and disability insurance to ensure it is adequate to maintain those commitments.

If your income decreased, you may want to cut your life insurance premiums. Term life insurance is a good option, as the premium rates are very reasonable. And if you already have two or more policies you might be able to replace both with a single policy at a lower rate because you may reach a “milestone” amount of insurance. But don’t drop existing life insurance until after you have a new policy in place.

5. Have you done extensive renovations on your home?

If you have made major improvements to your home, inside and out, you risk being underinsured if you don’t report the changes to your insurance company. An increase in the value of the structure of the home may require an increase to your homeowners insurance coverage limits.

If, as part of a renovation, you purchase furniture, exercise equipment or electronics, you may need to increase the amount of insurance you have on your personal possessions. Keep receipts and add any new items to your home inventory. You can create a home inventory by visiting http://www.ok.gov/oid/home_inventory.html.

6. Have you signed a lease on a house or apartment?

If you are renting a home, your landlord is usually responsible for insuring the structure of the building, but not for insuring your possessions. Renters insurance is a good investment, if you want to be covered against losses from theft and catastrophes such as fire, lightning and windstorm damage.

Like homeowners insurance, renters insurance includes liability, which covers your responsibility to other people injured at your home and pays legal defense costs if you are taken to court.

7. Have you retired?

If you commuted regularly to your job, in retirement your mileage has likely plummeted. If so, you should report it to your auto insurer as it could significantly lower the cost of your auto insurance premiums. Furthermore, drivers over the age of 50-55 may get a discount, depending on the insurance company.

For more information or help with insurance questions, please contact the Oklahoma Insurance Department’s Consumer Assistance Team at 1-800-522-0071.