CHOOSING YOUR HOMEOWNERS INSURANCE POLICY

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A helpful guide when selecting homeowners insurance, including local rates and common questions.

Understanding Rates:

Insurance companies rate your home based on factors such as replacement costs, the city and/or county where you live, your claims history, your credit history, construction materials and local fire protection.

How to Find the Best Rate:

Shop for the company and agent that offer the best service for the best price. Compare prices. Different companies charge different rates. Get quotes from several companies before you buy. Make sure you understand what coverages and perils are included and that you're comparing equivalent policies.

Ask Your Agent the Following Questions:

- Am I in your lowest-priced company/tier? If not, why not?
- How can I get a better rate?
- What perils/coverage are excluded or limited in the policy?
- May I add the peril/coverage back into the policy?

Agents and Company Representatives:

Some agents may represent several companies, while some agents represent only a single company or company group. Some companies market their policies directly to consumers without using agents. To check as many companies' rates as possible, ask to see all the rates of all the companies the agent or company employee represents.

Before You Buy a Policy, Remember:

- In addition to costs, you should consider other important factors, such as the company's financial strengths and customer service.
- Never cancel your old policy until your new policy is effective. A policy becomes effective only when the insurer or its local agent binds coverage.
- Make certain you answer all questions on the application truthfully. Wrong information could cause an incorrect price quote or a denial or cancellation of coverage.

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Ways to Save Money

You can save money on your premiums by increasing your policy deductibles.

However, you'll have to pay more out of pocket if you have a claim.

If you are offered a policy with a large deductible, consider whether you can afford to pay the amount for each claim you file.

You may qualify for discounts on your rate but remember not all companies offer the same discounts.

Discounts that may be available include but are not limited to:

- Impact-resistant (hail-resistant) roofs
- Dead-bolt locks and/or certain other security measures
- Approved electronic burglar alarms
- Smoke alarms, sprinkler systems and/or other fire prevention systems
- Age of your home
- Heating, electrical and/or plumbing updates
- Companion policies such as your auto policy with same company
- Senior citizens
- Personal property identification marking
- Credit Score
- Continued Policy Renewals
- Claims Free Discount

Market Assistance Program:

If you are having problems finding homeowners insurance, you should contact the Oklahoma Market Assistance Program (OK-MAP). OK-MAP can connect you with insurance companies that may be willing to cover your home. For more information, call (405) 842-9883. Web address—www.mapsprogram.com.

Risks Not Covered:

Reading the Exclusionary Provisions is very important. Homeowners coverage does not include floods, earthquakes, back up of sewer and water, home businesses, home daycare, identity theft, nuclear accidents or war. Flood coverage can be purchased separately through the National Flood Insurance Program (NFIP). Ask your agent or carrier for more information or you may contact the NFIP at: 1-888-CALL-FLOOD or www.floodsmart.gov.

Claims:

A policyholder can contact their insurance company and ask about filing a claim or how to file a claim. Companies cannot increase the premium, cancel a policy or refuse to issue or renew a policy solely because a policyholder inquired about making a claim or requesting information about making a claim. For policies in effect for more than 45 days, companies may not cancel, refuse to renew or increase the premium, solely because a first claim is filed against the policy.

An insurance policy is intended to protect you from certain claims; however, it is not intended to offset minor claims or routine maintenance issues. Insurers may impose a surcharge or additional premium if you file multiple claims but companies are prohibited from surcharging for weather-related claims.

Cancellation and Non-Renewal:

There is a big difference between an insurance company canceling a policy and choosing not to renew it. Insurance companies can cancel a policy for the following reasons:

- You fail to pay the premium
- You have committed fraud or made serious misrepresentations on your application
- You willfully act in a way that increases any hazard that the policy insures against
- You violate any local fire, health, safety, building, or construction regulation or ordinance that increases hazards
- A change in the risk which substantially increases any hazard insured against
- The Commissioner determines that the continuation of the policy would place the insurer in violation of Oklahoma insurance laws
- The insured party is convicted of a crime having as one of its necessary elements an act increasing any hazard the policy insures against

Nonrenewal is a different matter. Either you or your insurance company can decide not to renew the policy when it expires. Companies shall give policyholders at least ten days notice prior to the date of cancellation and 20 days notice prior to the date of non-renewal. If you think the reason is unfair or want a further explanation, call the insurance company's consumer affairs division. If you don't get a satisfactory explanation, call the Oklahoma Insurance Department at 800-522-0071.

Additional Insurance Information

The National Association of Insurance Commissioners (NAIC) has a web site that provides consumer insurance information for those considering or buying insurance at **www.insureuonline.org**.

INEXPENSIVE HOMEOWNER ADD-ONS 3

Back Up of Sewer and Water Coverage:
This coverage is excluded from most homeowners policies but can be purchased as a rider. Coverage is provided for direct physical loss not caused by negligence of the insured caused by water or sewer that backs up through sewers or drains not caused by flood.
Cost: $5.98 to $111 for $5,000 coverage.

Child Care Liability Coverage:
This coverage provides personal liability for bodily injury and property damage arising out of a home day care service.
Cost: $42 to $104 for $100,000 coverage.
$62 to $152 for $500,000 coverage.

Credit Card, Fund Transfer card, Forgery and Counterfeit Money (Increased Limits):
This coverage provides increased limits for the legal obligation of an insured to pay because of the theft or unauthorized use of credit cards or electronic funds transfer cards, loss to an insured caused by forgery or alternation of their check and loss through acceptance of counterfeit money.
Cost: $2 to $5 for $5,000 coverage.

Earthquake Coverage:
This coverage is excluded in the policy but can often be puirchased as a rider by endorsement.
Cost: 6¢ to 35¢ per $1,000 of the dwelling limit.

Identity Fraud Expense Coverage:
This coverage is available to pay for expenses incurred as a result of identity fraud. Such expenses include the costs for notarizing fraud affidavits; certified mail sent to law enforcement, financial institutions and credit agencies; lost income resulting from time off work to meet with law enforcement or credit agencies; loan application fees for reapplying for a loan; and reasonable attorney fees incurred to defend lawsuits brought against the insured and to remove criminal or civil judgments.
Cost: $12 to $45 for $15,000 to $25,000 coverage.

Increased Medical Payments to Others:
This coverage, also known as first aide coverage, provides for increased limits for bodily injury to others. It does not cover the insured or person residing in the household.
Cost: $3 to $29 for $2,000 coverage.
$12 to $29 for $5,000 coverage.

Increased Personal Liability Limits:
This coverage provides for increased liability limits for bodily injury or property damages caused by an insured.
Cost: $9 to $96 for $300,000 coverage.
$13 to $140 for $500,000 coverage.

Personal Injury Coverage:
This coverage provides liability coverage for slander or libel, generally excluded in regular policy.
Cost: $4 to $50 for $100,000 to $300,000 coverage.

Personal Property Replacement Cost:
This coverage provides payment for losses to personal property at replacement cost rather than actual cash value.
Cost: 2% to 25% of base premium.

Refrigerated Property Coverage:
This coverage is available for property stored in freezers or refrigerators.
Cost: $3.06 to $12 for $500 coverage.

Special Personal Property Coverage:
This coverage provides personal property coverage against all risks with certain exceptions in lieu of named peril.
Cost: 5% to 40% of base premium.

Rate Comparison Chart

Keep These Basics in Mind. This guide lists annual rates for four typical homeowners policies. The companies listed are those with the largest market share in Oklahoma that responded to a department survey. The sample policies may not match your home exactly, but they provide a way to compare prices among companies.
The premiums in this guide are not the exact amounts you will be quoted. Your premium will vary according to your individual circumstances.
Be sure to read your policy carefully! Make certain you understand your coverage.

Companies were asked to provide rates for their standard Homeowners program for each of the four scenarios shown using the following assumptions:

1. Policy Form HO-3 without any other optional coverages, debits, credits, etc.
2. The dwelling amount would be considered to be 80% (some companies require minimum 90 to 100%) of the dwelling replacement value.
3. The rates are for the most favorable fire protection class in the city.
4. A replacement cost policy including replacement for composition roof surfacing.

The cities used in the scenario are Oklahoma City, Tulsa, Lawton and McAlester.

	SCENARIO 1	SCENARIO 2	SCENARIO 3	SCENARIO 4
Dwelling Amount	$50,000	$70,000	$100,000	$150,000
Deductible	$1,000	$1,000	$1,000	$1,000
Contents	$25,000	$35,000	$50,000	$75,000
Personal Liability	$100,000	$100,000	$100,000	$100,000
Medical Expenses	$1,000	$1,000	$1,000	$1,000

	OKC	OKC	OKC	OKC	OKC	OKC	OKC	OKC	TUL	TUL	TUL	TUL	TUL	TUL	TUL	TUL
	F1	F 2	F 3	F 4	M 1	M 2	M 3	M 4	F 1	F 2	F 3	F 4	M 1	M 2	M 3	M 4
AAA FIRE & CASUALTY INSURANCE CO.	777	851	989	1195	727	795	917	1104	647	707	821	985	606	659	764	914
ALLSTATE INSURANCE CO.	1067	1662	2495	3957	1099	1552	2330	3695	845	1318	1977	3134	791	1230	1847	2930
ALLSTATE INDEMNITY CO.	1795	2539	3890	6227	1680	2373	3630	5816	1534	2168	3308	5304	1434	2027	3087	4954
ALLSTATE PROPERTY & CASUALTY INSURANCE CO.	1770	2112	2639	3559	1738	2074	2590	3493	1412	1680	2095	2819	1386	1650	2056	2766
AMERICAN FARMERS & RANCHERS MUTUAL INS. CO. --HO-8	771	966	1312	1880	694	869	1180	1692	727	911	1236	1771	654	820	1113	1595
AMERICAN NATIONAL PROPERTY & CASUALTY CO.	2073	2423	2868	3734	1924	2249	2662	3466	1524	1781	2109	2747	1415	1654	1960	2553
COUNTRY MUTUAL INSURANCE CO.	848	723	869	848	759	647	778	759	985	842	1010	985	882	753	905	882
FARMERS INSURANCE CO.	1052	1341	1984	3048	1049	1336	1980	3042	808	1028	1518	2322	805	1024	1516	2319
HANOVER INUSURANCE CO.	1501	1617	1950	2923	1352	1456	1756	2631	1080	1164	1403	2103	973	1048	1263	1894
LIBERTY INSURANCE CORP.	2088	2234	2426	2883	2054	2195	2383	2830	1958	2086	2263	2685	1930	2054	2227	2644
METROPOLITAN PROPERTY & CASUALTY INS. CO.	1533	1781	2223	3036	1395	1617	2002	2742	1209	1402	1709	2346	1101	1277	1555	2114
NORTH STAR MUTUAL INSURANCE CO.	1393	1441	1576	2000	1253	1296	1418	1799	1226	1267	1386	1758	1103	1139	1247	1582
OKLAHOMA FARM BUREAU MUTUAL INSURANCE CO.	1391	1782	2419	3030	1254	1606	2180	2730	1154	1477	2005	2511	1040	1331	1807	2263
PROPERTY & CASUALTY INS. CO. OF HARTFORD	860	1079	1614	2293	820	1028	1536	2181	729	912	1360	1929	695	869	1295	1835
SAFECO INSURANCE CO. OF AMERICA	1079	1203	1326	1702	1022	1140	1257	1613	929	1036	1141	1466	881	981	1082	1390
SHELTER MUTUAL INSURANCE CO.	1171	1430	1996	2877	1114	1359	1899	2737	1010	1232	1721	2481	962	1173	1639	2362
STATE FARM FIRE AND CASUALTY CO.	1696	2013	2453	3273	1441	1711	2085	2782	1219	1447	1764	2353	1036	1230	1499	2000
TRAVELERS HOME AND MARINE INSURANCE CO.	784	889	1176	1428	735	833	1101	1428	646	733	968	1263	607	688	908	1182
UNITED SERVICES AUTOMOBILE ASSOCIATION	1761	1811	1970	2188	1673	1718	1871	2078	1635	1681	1818	2014	1555	1597	1727	1913
USAA CASUALTY INSURANCE CO.	1718	1766	1922	2135	1635	1680	1830	2032	1594	1639	1773	1964	1519	1560	1689	1870

*F denotes Frame structure and M denotes Masonry. The numbers following the Frame or Masonry represent the Scenario.

	LAW	LAW	LAW	LAW	LAW	LAW	LAW	LAW	McA	McA	McA	McA	McA	McA	McA	McA
	F 1	F 2	F 3	F 4	M 1	M 2	M 3	M 4	F 1	F 2	F 3	F 4	M 1	M 2	M 3	M 4
AAA FIRE & CASUALTY INSURANCE CO.	734	805	933	1130	687	751	869	1041	718	781	908	1094	671	730	846	1013
ALLSTATE INSURANCE CO.	813	1266	1901	3014	760	1184	1778	2820	872	1359	2040	3235	815	1270	1907	3024
ALLSTATE INDEMNITY CO.	1382	1953	2971	4770	1291	1824	2768	4448	1515	2141	3266	5237	1416	2000	3044	4888
ALLSTATE PROPERTY & CASUALTY INSURANCE CO.	1479	1762	2197	2958	1452	1729	2156	2901	1323	1574	1960	2635	1299	1545	1924	2585
AMERICAN FARMERS & RANCHERS MUTUAL INS. CO. --HO-8	735	921	1250	1792	662	829	1125	1181	730	914	1241	1779	657	823	1117	1601
AMERICAN NATIONAL PROPERTY & CASUALTY CO.	1828	2137	2530	3294	1699	1986	2352	3063	1696	1983	2348	3058	1569	1834	2172	2829
COUNTRY MUTUAL INSURANCE CO.	1365	1167	1399	1365	1223	1046	1254	1223	1867	1598	1913	1867	1674	1433	1716	1675
FARMERS INSURANCE CO.	1057	1349	2007	3099	1054	1346	2004	3096	806	1029	1529	2355	803	1025	1526	2351
HANOVER INUSURANCE CO.	1151	1240	1495	2241	1036	1116	1345	2017	972	1047	1263	1892	874	942	1136	1703
LIBERTY INSURANCE CORP.	2388	2562	2794	3354	2340	2508	2734	3281	2152	2294	2486	2969	2126	2263	2451	2928
METROPOLITAN PROPERTY & CASUALTY INS. CO.	1298	1505	1846	2535	1181	1370	1670	2286	1604	1876	2339	3189	1459	1693	2106	2881
NORTH STAR MUTUAL INSURANCE CO.	1463	1513	1656	2100	1317	1361	1490	1889	1393	1441	1576	2000	1253	1296	1418	1799
OKLAHOMA FARM BUREAU MUTUAL INSURANCE CO.	1196	1531	2079	2603	1078	1380	1869	2346	1122	1437	1951	2443	1011	1295	1754	2201
PROPERTY & CASUALTY INS. CO. OF HARTFORD	643	803	1194	1690	613	765	1137	1608	738	925	1379	1956	704	881	1313	1861
SAFECO INSURANCE CO. OF AMERICA	1029	1148	1263	1623	975	1087	1199	1537	977	1089	1200	1541	925	1032	1138	1460
SHELTER MUTUAL INSURANCE CO.	1042	1272	1777	2560	990	1208	1689	2433	1042	1272	1777	2560	990	1208	1689	2433
STATE FARM FIRE AND CASUALTY CO.	1962	2329	2839	3787	1668	1980	2413	3219	1478	1754	2138	2852	1256	1491	1817	2424
TRAVELERS HOME AND MARINE INSURANCE CO.	696	791	1046	1369	653	742	980	1281	619	697	910	1170	585	658	858	1103
UNITED SERVICES AUTOMOBILE ASSOCIATION	1587	1634	1756	1944	1496	1538	1655	1830	1558	1605	1729	1916	1452	1494	1611	1784
USAA CASUALTY INSURANCE CO.	1545	1590	1710	1892	1460	1501	1615	1786	1513	1558	1680	1862	1414	1455	1570	1739