

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.

OKLAHOMA INSURANCE

DEPARTMENT

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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 30 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.insureonline.org.

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 \$323 for \$100,000 coverage.
\$58 to \$574 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 alteration of their check and loss through acceptance of counterfeit money.

Cost: \$2 to \$10 for \$5,000 coverage.

Earthquake Coverage:

This coverage is excluded in the policy but can often be purchased as a rider by endorsement.

Cost: \$0.18 to \$1.40 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: \$1 to \$29 for \$2,000 coverage.
\$2 to \$83 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 \$101 for \$300,000 coverage.
\$13 to \$163 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: 2% 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	\$100,000	\$175,000	\$250,000
Deductible	\$1,000	\$1,000	\$1,000	\$1,000
Contents	\$25,000	\$50,000	\$82,500	\$125,000
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	OKC	TUL	TUL	TUL	TUL	TUL	TUL	TUL	TUL	TUL	TUL						
	F1	F2	F3	F4	M1	M2	M3	M4	F1	F2	F3	F4	M1	M2	M3	M4	F1	F2	F3	F4	M1	M2	M3	M4	
ALLSTATE INSURANCE CO.	1496	3175	5880	8365	1397	2966	5493	7783	1185	2515	4659	6571	1108	2351	4354	6162									
ALLSTATE PROPERTY & CASUALTY INSURANCE CO.	2207	3305	5004	7075	2166	3243	4909	6941	1754	2616	3951	5576	1722	2567	3875	5470									
ALLSTATE VEHICLE & PROPERTY INSURANCE CO.	1610	2178	3513	4513	1601	2170	3499	4480	1598	2123	3395	4442	1580	2103	3357	4376									
AMERICAN FARMERS & RANCHERS MUTUAL INS. CO.	1137	1843	3046	4295	1036	1671	2754	3879	859	1372	2243	3149	786	1247	2031	2847									
AMERICAN NATIONAL PROPERTY & CASUALTY CO.	1688	2317	3299	4255	1585	2174	3095	3991	1123	1536	2181	2809	1050	1434	2035	2621									
COUNTRY MUTUAL INSURANCE CO.	1543	2174	3132	3962	1423	1999	2881	3646	1158	1628	2341	2958	1070	1498	1684	2723									
CSAA FIRE & CASUALTY INSURANCE CO.	1440	1549	2163	2910	1343	1439	1998	2677	1170	1252	1742	2332	1088	1164	1607	2148									
FARMERS INSURANCE CO.	3388	4056	4787	6397	3535	4240	5007	6691	1866	2208	2612	3501	1953	2315	2741	3676									
LIBERTY INSURANCE CORP.	2538	2543	3034	3810	2445	2459	2928	3664	2013	2031	2413	3008	1952	1980	2349	2917									
METROPOLITAN PROPERTY & CASUALTY INS. CO.	1702	2865	4300	5959	1549	2607	3908	5404	1278	2186	3278	4497	1182	1990	2983	4078									
NORTH STAR MUTUAL INSURANCE CO.	2040	2238	3128	4170	1835	2013	2814	3751	1393	1528	2135	2845	1254	1374	1920	2559									
OKLAHOMA FARM BUREAU MUTUAL INSURANCE CO.	1562	2716	3842	5085	1407	2447	3462	4581	1180	2051	2901	3839	1063	1848	2614	3459									
PROPERTY & CASUALTY INS. CO. OF HARTFORD	1659	3159	5094	6808	1579	3004	4842	6471	1398	2655	4275	5711	1331	2524	4064	5428									
SAFECO INSURANCE CO. OF AMERICA	2480	2556	3115	3616	2366	2404	3142	3320	2125	2191	2056	3107	2025	1931	2497	2841									
SHELTER MUTUAL INSURANCE CO.	1194	1946	3441	4823	1171	1908	3374	4729	884	1443	2550	3574	868	1414	2501	3505									
STATE FARM FIRE AND CASUALTY CO.	2798	3969	5785	7284	2518	3572	5206	6556	1235	1751	2553	3214	1111	1576	2297	2893									
TRAVELERS HOME AND MARINE INSURANCE CO.	1158	1761	3249	4301	1087	1651	3034	4018	949	1444	2701	3579	891	1355	2523	3346									
UNITED SERVICES AUTOMOBILE ASSOCIATION	914	1369	2066	2824	840	1263	1911	2616	975	1404	2077	2830	911	1313	1942	2649									
USAA CASUALTY INSURANCE CO.	881	1313	1982	2714	808	1208	1828	2506	956	1368	2021	2759	894	1277	1887	2579									
USAA GENERAL INDEMNITY CO.	1118	1630	2419	3287	1021	1496	2230	3035	1199	1685	2452	3322	1115	1570	2287	3104									

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

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	LAW	LAW	LAW	LAW	LAW	LAW	LAW	LAW	LAW	LAW	LAW	LAW	LAW	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	McA	McA	McA
ALLSTATE INSURANCE CO.	1140	2419	4480	6324	1066	2263	4191	5931	1224	2595	4808	6788	1143	2427	4496	6340	McA	McA	McA
ALLSTATE PROPERTY & CASUALTY INSURANCE CO.	1839	2746	4148	5858	1805	2693	4068	5745	1642	2446	3690	5206	1612	2400	3619	5107	McA	McA	McA
ALLSTATE VEHICLE & PROPERTY INSURANCE CO.	1751	2355	3816	4938	1731	2336	3781	4875	1823	2393	4057	5541	1793	2360	3996	5437	McA	McA	McA
AMERICAN FARMERS & RANCHERS MUTUAL INS. CO.	988	1591	2617	3693	902	1444	2368	3327	859	1372	2243	3419	786	1247	2031	2847	McA	McA	McA
AMERICAN NATIONAL PROPERTY & CASUALTY CO.	1201	1644	2336	3009	1122	1535	2179	2807	1127	1543	2190	2821	1048	1433	2034	2618	McA	McA	McA
COUNTRY MUTUAL INSURANCE CO.	1301	1830	2634	3331	1201	1684	2424	3066	1253	1762	2535	3205	1157	1621	2333	2950	McA	McA	McA
CSAA FIRE & CASUALTY INSURANCE CO.	1339	1437	2008	2694	1248	1338	1852	2479	1244	1332	1860	2285	1158	1241	1718	2293	McA	McA	McA
FARMERS INSURANCE CO.	2351	2745	3214	4300	2431	2841	3328	4453	1656	1933	2291	3101	1719	2009	2382	3227	McA	McA	McA
LIBERTY INSURANCE CORP.	2644	2662	3194	4005	2549	2577	3089	3861	2104	2162	2514	3069	2055	2121	2463	2998	McA	McA	McA
METROPOLITAN PROPERTY & CASUALTY INS. CO.	1424	2395	3591	4948	1295	2180	3268	4483	1778	2992	4500	6234	1618	2723	4081	5653	McA	McA	McA
NORTH STAR MUTUAL INSURANCE CO.	1528	1677	2343	3123	1375	1508	2107	2808	1528	1677	2343	3123	1375	1508	2107	2808	McA	McA	McA
OKLAHOMA FARM BUREAU MUTUAL INSURANCE CO.	1226	2131	3014	3989	1109	1928	2727	3608	1112	1933	2734	3618	1002	1742	2463	3259	McA	McA	McA
PROPERTY & CASUALTY INS. CO. OF HARTFORD	1227	2324	3738	4991	1168	2210	3554	4744	1418	2693	4337	5793	1350	2561	4123	5506	McA	McA	McA
SAFECO INSURANCE CO. OF AMERICA	2133	2202	2709	3120	2031	2063	2504	2851	1899	1963	2418	2787	1808	1835	2227	2534	McA	McA	McA
SHELTER MUTUAL INSURANCE CO.	985	1606	2840	3981	966	1575	2785	3903	926	1510	2671	3742	909	1481	2618	3669	McA	McA	McA
STATE FARM FIRE AND CASUALTY CO.	2812	3989	5815	7321	2531	3590	5233	6589	1362	1932	2816	3546	1226	1739	2534	3191	McA	McA	McA
TRAVELERS HOME AND MARINE INSURANCE CO.	1023	1561	2938	3902	960	1464	2746	3651	915	1368	2438	3252	866	1294	2298	3070	McA	McA	McA
UNITED SERVICES AUTOMOBILE ASSOCIATION	907	1308	1932	2628	831	1200	1777	2421	1018	1423	2061	2779	911	1283	1867	2524	McA	McA	McA
USAA CASUALTY INSURANCE CO.	896	1287	1904	2595	821	1181	1749	2387	999	1389	2010	2714	894	1250	1818	2461	McA	McA	McA
USAA GENERAL INDEMNITY CO.	1116	1564	2267	3063	1015	1428	2077	2811	1276	1738	2472	3311	1131	1554	2224	2988	McA	McA	McA