CHOOSING YOUR HOMEOWNERS INSURANCE POLICY

1

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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DEPARTMENT
Five Corporate Plaza
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Oklahoma City, OK 73112 | 1-800-522-0071
www.oid.ok.gov

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.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 $323 for $100,000 coverage.
$78 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 alternation 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 puirchased as a rider by endorsement.
Cost: $0.06 to $0.30 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 $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***	$70,000 $100,000***	$100,000 $150,000***	$150,000 $200,000***
Deductible	$1,000	$1,000	$1,000	$1,000
Contents	$25,000 $35,000***	$35,000 $50,000***	$50,000 $75,000***	$75,000 $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
ACA INS. CO. dba CSAA FIRE & CASUALTY INSURANCE CO.***	1165	1307	1647	2007	1085	1211	1521	1847	960	1075	1348	1641	895	1000	1249	1512
ALLSTATE INSURANCE CO.***	1839	2761	4380	5815	1460	2193	3476	4616	1458	2188	3469	4606	1157	1737	2756	3663
ALLSTATE INDEMNITY CO.***	1717	2543	4036	5367	1382	2029	3206	4258	1480	2173	3446	4581	1195	1747	2739	3640
ALLSTATE PROPERTY & CASUALTY INSURANCE CO.***	2370	2961	3973	5027	2215	2765	3709	4691	1883	2348	3145	3973	1761	2194	2935	3707
AMERICAN FARMERS & RANCHERS MUTUAL INS. CO. --HO-8	973	1217	1562	2303	876	1096	1406	2074	800	1002	1285	1895	721	901	1157	1707
AMERICAN NATIONAL PROPERTY & CASUALTY CO.***	2538	3004	3948	4814	2359	2792	3671	4475	1773	2101	2762	3367	1643	1945	2559	3120
COUNTRY MUTUAL INSURANCE CO.***	1581	2033	2770	3515	1454	1869	2543	3236	1119	1438	1959	2485	1029	1322	1798	2288
FARMERS INSURANCE CO.***	2313	3320	4891	6341	2291	3291	4849	6283	1465	2066	3018	3910	1445	2040	2979	3857
HANOVER INUSURANCE CO.***	1952	2354	3529	4362	1757	2119	3177	3907	1377	1661	2489	3048	1239	1494	2240	2742
LIBERTY INSURANCE CORP.***	2080	2276	2500	2712	2015	2203	2419	2620	1879	2037	2236	2463	1822	1972	2164	2380
METROPOLITAN PROPERTY & CASUALTY INS. CO.***	1984	2625	3444	4434	1806	2389	3134	4025	1457	1929	2530	3249	1326	1756	2303	2957
NORTH STAR MUTUAL INSURANCE CO.***	1576	1693	2150	2649	1418	1523	1934	2382	1339	1438	1825	2249	1204	1293	1642	2023
OKLAHOMA FARM BUREAU MUTUAL INSURANCE CO.***	2000	2716	3402	4224	1802	2446	3065	3807	1510	2050	2569	3190	1362	1848	2314	2874
PROPERTY & CASUALTY INS. CO. OF HARTFORD***	2095	3159	4510	5724	1993	3004	4287	5440	1764	2655	3786	4802	1678	2524	3599	4565
SAFECO INSURANCE CO. OF AMERICA***	1379	1478	1729	2271	1333	1429	1671	2195	1150	1232	1441	1892	1111	1191	1393	1829
SHELTER MUTUAL INSURANCE CO.***	1761	2460	3545	4727	1674	2337	3368	4492	1394	1947	2806	3741	1324	1850	2666	3555
STATE FARM FIRE AND CASUALTY CO.***	2507	3185	4021	4843	2256	2867	3618	4358	1475	1874	2365	2849	1327	1686	2128	2564
TRAVELERS HOME AND MARINE INSURANCE CO.***	1269	1692	2209	3471	1190	1587	2069	3243	1042	1389	1822	2887	978	1303	1709	2699

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

UNITED SERVICES AUTOMOBILE ASSOCIATION***	1153	1397	1835	2280	1065	1291	1698	2111	1235	1460	1881	2317	1160	1369	1763	2171
USAA CASUALTY INSURANCE CO.***	1111	1350	1783	2225	1027	1248	1648	2058	1208	1430	1850	2287	1137	1342	1734	2142
	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
ACA INS CO. dba CSAA FIRE & CASUALTY INSURANCE CO.***	1099	1232	1552	1886	1022	1143	1435	1740	1072	1119	1507	1833	995	1111	1396	1690
ALLSTATE INSURANCE CO.***	1401	2104	3336	4430	1114	1673	2653	3526	1504	2258	3580	4755	1195	1794	2845	3778
ALLSTATE INDEMNITY CO.***	1341	1968	3104	4125	1084	1582	1968	3278	1463	2147	3404	4523	1181	1724	2147	3591
ALLSTATE PROPERTY & CASUALTY INSURANCE CO.***	1975	2463	3301	4170	1845	2300	3080	3892	1763	2196	2938	3712	1648	2052	2744	3463
AMERICAN FARMERS & RANCHERS MUTUAL INS. CO. --HO-8	872	1091	1401	2064	786	983	1261	1859	742	928	1191	1755	668	836	1073	1581
AMERICAN NATIONAL PROPERTY & CASUALTY CO.***	2209	2616	3437	4191	2055	2433	3198	3900	1849	2189	2878	3509	1707	2021	2657	3240
COUNTRY MUTUAL INSURANCE CO.***	1295	1665	2269	2879	1191	1531	2083	2651	1295	1630	2221	2818	1166	1499	2039	2594
FARMERS INSURANCE CO.***	1917	2754	4067	5280	1897	2728	4029	5228	1571	2248	3320	4310	1552	2224	3284	4262
HANOVER INUSURANCE CO.***	1526	1840	2759	3377	1373	1657	2483	3040	1366	1647	2470	3023	1230	1482	2222	2720
LIBERTY INSURANCE CORP.***	2283	2488	2747	3039	2199	2394	2641	2918	1924	2081	2282	2511	1874	2024	2217	2437
METROPOLITAN PROPERTY & CASUALTY INS. CO.***	1565	2071	2716	3488	1424	1884	2473	3174	2007	2655	3485	4490	1826	2417	3171	4071
NORTH STAR MUTUAL INSURANCE CO.***	1623	1745	2214	2729	1461	1579	1992	2454	1576	1693	2150	2649	1418	1523	1934	2382
OKLAHOMA FARM BUREAU MUTUAL INSURANCE CO.***	1570	2130	2669	3314	1420	1928	2414	2998	1424	1934	2421	3006	1283	1742	2181	2708
PROPERTY & CASUALTY INS. CO. OF HARTFORD***	1546	2324	3311	4198	1471	2210	3148	3991	1731	2606	3716	4713	1647	2478	3533	4480
SAFECO INSURANCE CO. OF AMERICA***	1300	1394	1630	2140	1257	1347	1575	2069	1209	1296	1515	1990	1169	1252	1465	1924
SHELTER MUTUAL INSURANCE CO.***	1439	2010	2897	3862	1367	1910	2752	3669	1413	1973	2843	3790	1341	1874	2701	3600
STATE FARM FIRE AND CASUALTY CO.***	2899	3683	4649	5599	2609	3315	4184	5039	1789	2273	2868	3455	1610	2045	2581	3109
TRAVELERS HOME AND MARINE INSURANCE CO.***	1130	1506	1984	3157	1061	1413	1861	2953	1002	1321	1714	2627	949	1250	1622	2477
UNITED SERVICES AUTOMOBILE ASSOCIATION***	1131	1344	1734	2140	1042	1237	1597	1971	1252	1468	1868	2286	1129	1326	1692	2073
USAA CASUALTY INSURANCE CO.***	1113	1328	1724	2137	1028	1224	1589	1970	1214	1428	1826	2243	1098	1292	1656	2037