



5 Ways to Lower Your Homeowners Insurance Costs

By John D. Doak, Oklahoma Insurance Commissioner

Insurance companies consider many factors when determining your rate. While many of those factors are out of your control, there are several things you can do to save money.

1. Shop around!

This point cannot be stressed enough. It takes time and effort to shop insurance from different companies, but it will pay off. The Oklahoma Insurance Department website offers information on typical rates charged by major insurers and questions to ask potential agents before receiving quotes.

Also, check consumer guides, recommendations from friends and family and what insurance agents have to say. Before making a choice, you should have a good idea of price ranges and what companies are offering the lowest prices for the insurance coverage you need. Ask agents what they would do to lower your costs. Price is not the only factor to consider, however. Keep in mind quality of service for when you need assistance with filing a claim. You should also check each company's complaint history through the National Association of Insurance Commissioner's Consumer Information Source, <https://eapps.naic.org/cis/>.

2. Raise your deductible.

It is often recommended to have a deductible of at least \$500 on your homeowners policy. The deductible is the amount of money you will pay in the event of a loss before your insurance company pays the claim. If you can afford to pay more money towards a loss in the form of a deductible, raising it to even \$1,000 can save quite a bit on your premium. Keep in mind that policies often have separate deductibles for wind and hail losses. Typically, the deductible is one or two percent of the insured value of the property.

3. Bundle, bundle, bundle! Buy your home and auto policies from the same insurer.

Insurance companies that offer homeowners, auto and liability coverage will generally give a discount anywhere from 5 to 15 percent off your premium if you buy two or more policies. This does not guarantee a lower price overall, so make sure that the premiums with the discount do not total more than if you bought policies from different companies.

4. Grab your discounts! Improve home security and ask about other discounts.

Don't be afraid to ask your insurance company about available discounts. Companies often offer several different types, but not all offer the same discounts. Common discounts include a percentage off for installing smoke detectors, burglar alarms, monitored security systems and deadbolt locks. A high-end sprinkler system could also trim your premium, but they can be expensive. Find out what type of sprinkler system your insurer recommends and if the annual insurance savings will offset the cost.

5. Review the limits in your policy and the value of your possessions at least once a year.

Bottom-line, you want to have the coverage you need but do not want to spend money on coverage you do not need. Your policy should cover your house and major purchases that are inside of the house. Whether those items are covered at replacement cost or actual value will affect your premium. And, if you have items, such as jewelry, technical equipment and art covered under a separate endorsement, consider whether those items have gone down in value since you insured them. If so, you may want to reduce or cancel that extra coverage from your policy. You do not want to run into a problem with too little coverage, but by reviewing your possessions and policy each year, you can save some money and be protected from a loss.

For a quick glance at how to find the best rate for your homeowners policy and to better understand rates in Oklahoma, visit the Oklahoma Insurance Department online at http://www.ok.gov/oid/Consumers/Insurance_Basics/Home.html.