

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 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.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: \$10 to \$100 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: \$60 to \$100 for \$100,000 coverage.
\$70 to \$125 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 \$5 for \$5,000 coverage.

Earthquake Coverage:

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

**Cost: 30¢ 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: \$25 to \$45 for \$15,000 to \$25,000 coverage.

Increased Medical Payments to Others:

This coverage, also known as first aid 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 \$6 for \$2,000 coverage.
\$9 to \$12 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 \$30 for \$300,000 coverage.
\$13 to \$50 for \$500,000 coverage.**

Personal Injury Coverage:

This coverage provides liability coverage for slander or libel, generally excluded in regular policy.

**Cost: \$10 to \$13 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 15% of base premium.

Refrigerated Property Coverage:

This coverage is available for property stored in freezers or refrigerators.

Cost: \$8 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: 25% 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	\$50,000	\$70,000	\$100,000	\$50,000	\$50,000	\$70,000	\$100,000	\$50,000	\$50,000	\$70,000	\$100,000	\$150,000
Deductible	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Contents	\$25,000	\$25,000	\$35,000	\$50,000	\$25,000	\$25,000	\$35,000	\$50,000	\$25,000	\$25,000	\$35,000	\$50,000	\$75,000
Personal Liability	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Medical Expenses	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

	OKC	F1	F2	F3	F4	OKC	F1	F2	F3	F4	OKC	M1	M2	M3	M4	OKC	F1	F2	F3	F4	TUL	M1	M2	M3	TUL	TUL	TUL	TUL
AAA FIRE & CASUALTY INSURANCE CO.	599	661	784	967	563	618	730	898	494	543	641	785	466	510	599	730	466	510	599	730	466	510	599	730	466	510	599	730
ALLSTATE INSURANCE CO.	1053	1499	2235	3544	984	1390	2087	3309	834	1180	1770	2807	780	1101	1655	2624	780	1101	1655	2624	780	1101	1655	2624	780	1101	1655	2624
ALLSTATE INDEMNITY CO.	1042	1435	2105	3284	981	1348	1975	3076	904	1240	1812	2818	851	1165	1700	2644	851	1165	1700	2644	851	1165	1700	2644	851	1165	1700	2644
ALLSTATE PROPERTY & CASUALTY INSURANCE CO.	1670	1962	2411	3189	1639	1925	2366	3129	1331	1559	1911	2520	1307	1530	1875	2473	1307	1530	1875	2473	1307	1530	1875	2473	1307	1530	1875	2473
AMERICAN FARMERS & RANCHERS MUTUAL INS. CO.	721	897	1210	1813	650	809	1091	1634	668	831	1121	1677	603	750	1010	1512	603	750	1010	1512	603	750	1010	1512	603	750	1010	1512
AMERICAN NATIONAL PROPERTY & CASUALTY CO.	1783	2064	2484	3145	1624	1882	2266	2868	1815	2103	2530	3204	1669	1934	2328	2949	1669	1934	2328	2949	1669	1934	2328	2949	1669	1934	2328	2949
COUNTRY MUTUAL INSURANCE CO.	745	898	1231	1672	670	808	1107	1503	640	772	1058	1437	576	695	952	1292	576	695	952	1292	576	695	952	1292	576	695	952	1292
FARMERS INSURANCE CO.	585	730	1027	1544	581	726	1023	1538	512	640	902	1353	509	637	900	1350	509	637	900	1350	509	637	900	1350	509	637	900	1350
HARTFORD UNDERWRITERS INSURANCE CO.	778	1088	1436	2150	739	1034	1365	2043	633	885	1169	1750	601	841	1111	1662	601	841	1111	1662	601	841	1111	1662	601	841	1111	1662
LIBERTY MUTUAL FIRE INSURANCE CO.	876	1098	1505	2125	788	989	1355	1913	774	971	1330	1878	696	873	1197	1690	696	873	1197	1690	696	873	1197	1690	696	873	1197	1690
METROPOLITAN PROPERTY & CASUALTY INS. CO.	1143	1326	1617	2199	1041	1208	1471	2001	986	1142	1393	1894	896	1040	1267	1724	896	1040	1267	1724	896	1040	1267	1724	896	1040	1267	1724
OKLAHOMA FARM BUREAU MUTUAL INSURANCE CO.	1045	1337	1815	2387	941	1205	1635	2151	885	1133	1538	2023	798	1021	1386	1823	798	1021	1386	1823	798	1021	1386	1823	798	1021	1386	1823
PROPERTY & CASUALTY INS. CO. OF HARTFORD	937	1177	1693	2406	893	1121	1611	2289	794	995	1427	2024	756	948	1358	1926	756	948	1358	1926	756	948	1358	1926	756	948	1358	1926
SAFECO INSURANCE CO. OF AMERICA	529	633	779	1046	476	569	701	941	423	506	623	837	381	456	561	733	381	456	561	733	381	456	561	733	381	456	561	733
SHELTER MUTUAL INSURANCE CO.	1084	1310	1773	2479	1031	1245	1686	2358	936	1130	1530	2139	889	1075	1455	2035	889	1075	1455	2035	889	1075	1455	2035	889	1075	1455	2035
STATE FARM FIRE AND CASUALTY CO.	1285	1506	1862	2515	1067	1250	1546	2088	924	1082	1338	1807	767	898	1110	1500	767	898	1110	1500	767	898	1110	1500	767	898	1110	1500
STATE NATIONAL INSURANCE CO.	920	1174	1597	2444	875	1115	1518	2322	822	1048	1427	2182	781	997	1355	2074	781	997	1355	2074	781	997	1355	2074	781	997	1355	2074
TRAVELERS HOME AND MARINE INSURANCE CO.	589	701	865	1087	555	659	812	1020	480	573	709	892	453	540	666	837	453	540	666	837	453	540	666	837	453	540	666	837
UNITED SERVICES AUTOMOBILE ASSOCIATION	1655	1695	1819	1988	1581	1618	1737	1899	1653	1694	1801	1961	1575	1612	1714	1866	1575	1612	1714	1866	1575	1612	1714	1866	1575	1612	1714	1866
USAA CASUALTY INSURANCE CO.	1614	1653	1775	1941	1546	1582	1700	1857	1608	1648	1753	1909	1536	1573	1673	1820	1536	1573	1673	1820	1536	1573	1673	1820	1536	1573	1673	1820

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

