

# 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.

# OKLAHOMA INSURANCE

DEPARTMENT

Five Corporate Plaza

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Oklahoma City, OK 73112 | 1-800-522-0071

[www.oid.ok.gov](http://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](http://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](http://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](http://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 \$323 for \$100,000 coverage.  
\$70 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 \$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: 6¢ to 50¢ 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 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 \$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 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: 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	\$50,000	\$100,000	\$100,000	\$50,000	\$100,000	\$100,000	\$100,000	\$1,000
Deductible	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Contents	\$25,000	\$35,000	\$50,000	\$25,000	\$35,000	\$50,000	\$25,000	\$35,000	\$50,000	\$25,000	\$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
Medical Expenses	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

	OKC		OKC		OKC		OKC		OKC		OKC		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	
AAA FIRE & CASUALTY INSURANCE CO.	680	753	895	1111	637	702	834	1028	558	616	729	897	525	577	680	833	616	729	897	525	577	680	833	616	729
ALLSTATE INSURANCE CO.	1109	1567	2352	3730	1036	1463	2197	3483	879	1242	1864	2955	821	1160	1741	2761	1242	1864	2955	821	1160	1741	2761	1242	1864
ALLSTATE INDEMNITY CO.	1103	1521	2236	3490	1039	1429	2097	3270	956	1313	1924	2995	900	1234	1804	2807	1313	1924	2995	900	1234	1804	2807	1313	1924
ALLSTATE PROPERTY & CASUALTY INSURANCE CO.	1878	2203	2700	3563	1843	2163	2650	3496	1497	1752	2143	2822	1469	1720	2103	2768	1752	2143	2822	1469	1720	2103	2768	1752	2143
AMERICAN FARMERS & RANCHERS MUTUAL INS. CO. **HO-8	874	1183	1628	2278	786	1065	1466	2050	851	1152	1585	2217	766	1036	1426	1995	1152	1585	2217	766	1036	1426	1995	1152	1585
AMERICAN NATIONAL PROPERTY & CASUALTY CO.	1578	1844	2184	2818	1448	1693	2004	2586	1347	1575	1866	2407	1237	1447	1714	2212	1575	1866	2407	1237	1447	1714	2212	1575	1866
FARMERS INSURANCE CO.	901	1129	1609	2432	898	1125	1607	2428	749	939	1341	2022	747	937	1340	2022	939	1341	2022	747	937	1340	2022	939	1341
HANOVER INSURANCE CO.	1680	1810	2160	3238	1512	1629	1944	2914	1113	1198	1430	2144	1001	1079	1287	1929	1198	1430	2144	1001	1079	1287	1929	1198	1430
LIBERTY INSURANCE CORP.	2345	2506	2702	3118	2308	2464	2655	3062	2199	2346	2523	2905	2170	2312	2484	2861	2346	2523	2905	2170	2312	2484	2861	2346	2523
METROPOLITAN PROPERTY & CASUALTY INS. CO.	1648	1910	2329	3067	1500	1739	2118	2791	1362	1579	1925	2536	1240	1438	1753	2308	1579	1925	2536	1240	1438	1753	2308	1579	1925
NORTH STAR MUTUAL INSURANCE CO.	1220	1269	1392	1779	1097	1141	1252	1600	1056	1098	1205	1540	950	988	1083	1385	1098	1205	1540	950	988	1083	1385	1098	1205
OKLAHOMA FARM BUREAU MUTUAL INSURANCE CO.	1251	1602	2175	2723	1135	1454	1974	2472	1000	1280	1737	2176	901	1153	1566	1960	1280	1737	2176	901	1153	1566	1960	1280	1737
PROPERTY & CASUALTY INS. CO. OF HARTFORD	1010	1270	1828	2600	962	1209	1739	2472	854	1072	1539	2186	814	1021	1465	2079	1072	1539	2186	814	1021	1465	2079	1072	1539
SAFECO INSURANCE CO. OF AMERICA	1016	1173	1367	1794	963	1111	1295	1700	841	972	1132	1486	797	921	1072	1407	1132	1486	797	921	1072	1407	1132	1486	
SHELTER MUTUAL INSURANCE CO.	1225	1480	2003	2802	1165	1407	1905	2665	1057	1276	1728	2416	1006	1215	1645	2301	1276	1728	2416	1006	1215	1645	2301	1276	1728
STATE FARM FIRE AND CASUALTY CO.	1410	1652	2043	2759	1170	1371	1696	2290	1013	1187	1468	1983	841	985	1218	1646	1187	1468	1983	841	985	1218	1646	1187	1468
STATE NATIONAL INSURANCE CO.	920	1174	1597	2444	875	1115	1518	2322	822	1048	1427	2182	781	997	1355	2074	1048	1427	2182	781	997	1355	2074	1048	1427
TRAVELERS HOME AND MARINE INSURANCE CO.	789	893	1110	1413	741	839	1042	1324	651	738	921	1173	612	694	864	1100	738	921	1173	612	694	864	1100	738	921
UNITED SERVICES AUTOMOBILE ASSOCIATION	1898	1947	2113	2327	1818	1863	2023	2227	1818	1866	2005	2198	1733	1777	1909	2092	1866	2005	2198	1733	1777	1909	2092	1866	2005
USAA CASUALTY INSURANCE CO.	1855	1903	2065	2274	1780	1824	1981	2181	1774	1821	1956	2145	1694	1737	1867	2046	1821	1956	2145	1694	1737	1867	2046	1821	1956

\*F denotes Frame structure and M denotes Masonry. The numbers following the Frame or Masonry represent the Scenario. \*\* indicates a \$1,000 deductible for all scenarios

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# 5

	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.	631	699	830	1026	593	653	773	949	614	679	805	994	576	634	749	921		
ALLSTATE INSURANCE CO.	872	1192	1743	2707	820	1119	1634	2535	945	1297	1902	2958	890	1217	1782	2771		
ALLSTATE INDEMNITY CO.	824	1126	1642	2550	776	1057	1541	2387	894	1225	1791	2786	842	1150	1680	2609		
ALLSTATE PROPERTY & CASUALTY INSURANCE CO.	1568	1837	2248	2961	1539	1802	2205	2904	1402	1640	2005	2637	1376	1610	1968	2588		
AMERICAN FARMERS & RANCHERS MUTUAL INS. CO. **/HO-8	862	1166	1606	2247	776	1050	1445	2021	838	1135	1564	2187	755	1022	1407	1968		
AMERICAN NATIONAL PROPERTY & CASUALTY CO.	1701	1989	2356	3039	1575	1840	2180	2811	1543	1804	2137	2756	1425	1666	1973	2546		
FARMERS INSURANCE CO.	758	949	1354	2049	755	946	1352	2046	733	921	1321	2002	731	918	1319	2001		
HANOVER INUSURANCE CO.	1151	1239	1479	2217	1036	1115	1331	1995	1021	1099	1312	1967	918	989	1180	1769		
LIBERTY INSURANCE CORP.	2692	2881	3120	3630	2638	2822	3054	3552	2424	2581	2779	3218	2394	2546	2742	3174		
METROPOLITAN PROPERTY & CASUALTY INS. CO.	1425	1653	2014	2653	1297	1504	1833	2414	1754	2033	2478	3265	1595	1850	2256	2970		
NORTH STAR MUTUAL INSURANCE CO.	1196	1244	1365	1745	1076	1119	1228	1569	1162	1208	1326	1694	1044	1086	1192	1523		
OKLAHOMA FARM BUREAU MUTUAL INSURANCE CO.	1075	1376	1868	2340	976	1249	1696	2124	952	1218	1654	2071	858	1098	1490	1866		
PROPERTY & CASUALTY INS. CO. OF HARTFORD	752	942	1350	1914	717	898	1285	1821	866	1087	1561	2217	825	1035	1485	2109		
SAFECO INSURANCE CO. OF AMERICA	940	1084	1264	1660	890	1029	1199	1573	873	1008	1176	1542	827	955	1114	1462		
SHELTER MUTUAL INSURANCE CO.	1090	1316	1783	2494	1036	1252	1695	2371	1090	1316	1783	2494	1036	1252	1695	2371		
STATE FARM FIRE AND CASUALTY CO.	1632	1912	2364	3193	1354	1587	1962	2650	1357	1590	1966	2656	1126	1320	1632	2204		
STATE NATIONAL INSURANCE CO.	822	1048	1427	2182	781	997	1355	2074	898	1145	1559	2385	851	1086	1477	2261		
TRAVELERS HOME AND MARINE INSURANCE CO.	701	798	998	1276	659	750	936	1197	622	700	858	1086	589	663	812	1027		
UNITED SERVICES AUTOMOBILE ASSOCIATION	1687	1734	1862	2044	1600	1643	1765	1936	1674	1721	1851	2034	1585	1627	1751	1923		
USAA CASUALTY INSURANCE CO.	1625	1690	1816	1993	1553	1605	1725	1892	1631	1677	1805	1983	1548	1589	1711	1879		