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.

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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.insureuonline.org**.

INEXPENSIVE HOMEOWNER ADD-ONS

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 alternation 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 puirchased as a rider by endorsement.
Cost: 15¢ 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: $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: $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 25% 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	$150,000
Deductible	$1,000	$1,000	$1,000	$1,000
Contents	$25,000	$35,000	$50,000	$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
AAA FIRE & CASUALTY INSURANCE CO.	604	666	787	967	567	625	735	897	500	547	643	786	471	515	603	731
ALLSTATE INSURANCE CO.	1067	1508	2263	3590	997	1408	2114	3352	845	1196	1793	2844	791	1116	1675	2658
ALLSTATE INDEMNITY CO.	1568	2076	3385	5427	1467	2222	3158	5067	1340	1894	2877	4620	1253	1775	2683	4314
ALLSTATE PROPERTY & CASUALTY INSURANCE CO.	1610	1919	2395	3227	1580	1884	2351	3167	1286	1528	1903	2558	1262	1501	1868	2510
AMERICAN FARMERS & RANCHERS MUTUAL INS. CO. --HO-8	874	1183	1628	2278	786	1065	1466	2050	851	1152	1585	2217	766	1036	1426	1995
AMERICAN NATIONAL PROPERTY & CASUALTY CO.	1580	1848	2188	2823	1454	1700	2013	2597	1351	1579	1870	2414	1243	1454	1723	2223
FARMERS INSURANCE CO.	940	1193	1760	2693	935	1188	1755	2686	782	994	1466	2238	779	990	1464	2235
HANOVER INUSURANCE CO.	1501	1617	1950	2923	1352	1456	1756	2631	1080	1164	1403	2103	973	1048	1263	1894
LIBERTY INSURANCE CORP.	2088	2234	2426	2883	2054	2195	2383	2830	1958	2086	2263	2685	1930	2054	2227	2644
METROPOLITAN PROPERTY & CASUALTY INS. CO.	1533	1781	2223	3036	1395	1617	2002	2742	1209	1402	1709	2346	1101	1277	1555	2114
NORTH STAR MUTUAL INSURANCE CO.	1216	1262	1386	1765	1094	1135	1247	1588	1062	1110	1218	1552	962	998	1096	1395
OKLAHOMA FARM BUREAU MUTUAL INSURANCE CO.	1251	1602	2175	2723	1135	1454	1974	2472	1000	1280	1737	2176	901	1153	1566	1960
PROPERTY & CASUALTY INS. CO. OF HARTFORD	860	1079	1614	2293	820	1028	1536	2181	729	912	1360	1929	695	869	1295	1835
SAFECO INSURANCE CO. OF AMERICA	968	1080	1189	1527	918	1023	1127	1447	802	895	985	1263	760	847	933	1198
SHELTER MUTUAL INSURANCE CO.	1019	1245	1738	2505	969	1183	1652	2382	879	1073	1498	2159	837	1021	1427	2056
STATE FARM FIRE AND CASUALTY CO.	1288	1513	1844	2443	1069	1256	1531	2027	926	1087	1325	1755	768	902	1100	1457
STATE NATIONAL INSURANCE CO.	920	1174	1423	2178	875	1115	1352	2069	822	1048	1271	1944	781	997	1207	1847
TRAVELERS HOME AND MARINE INSURANCE CO.	685	773	968	1392	644	726	908	1302	564	637	801	1157	531	599	752	1084
UNITED SERVICES AUTOMOBILE ASSOCIATION	1697	1744	1904	2116	1620	1663	1818	2020	1624	1669	1801	1993	1542	1584	1710	1891
USAA CASUALTY INSURANCE CO.	1657	1703	1860	2068	1585	1628	1780	1978	1583	1627	1756	1944	1507	1548	1671	1849

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

	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
AAA FIRE & CASUALTY INSURANCE CO.	563	618	730	893	529	582	682	831	548	601	707	866	515	564	661	807
ALLSTATE INSURANCE CO.	813	1149	1725	2734	760	1074	1613	2558	872	1233	1851	2935	815	1153	1730	2744
ALLSTATE INDEMNITY CO.	1207	1707	2582	4153	1129	1593	2405	3872	1324	1870	2840	4561	1237	1747	2646	4256
ALLSTATE PROPERTY & CASUALTY INSURANCE CO.	1346	1602	1996	2684	1322	1572	1958	2632	1205	1432	1781	2391	1184	1406	1748	2347
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.	1714	2003	2373	3061	1590	1858	2200	2839	1552	1814	2149	2773	1437	1680	1989	2566
FARMERS INSURANCE CO.	791	1004	1482	2272	787	1000	1478	2267	766	975	1447	2225	762	971	1444	2220
HANOVER INUSURANCE CO.	1151	1240	1495	2241	1036	1116	1345	2017	972	1047	1263	1892	874	942	1136	1703
LIBERTY INSURANCE CORP.	2388	2562	2794	3354	2340	2508	2734	3281	2152	2294	2486	2969	2126	2263	2451	2928
METROPOLITAN PROPERTY & CASUALTY INS. CO.	1298	1505	1846	2535	1181	1370	1670	2286	1604	1876	2339	3189	1459	1693	2106	2881
NORTH STAR MUTUAL INSURANCE CO.	1252	1300	1428	1819	1127	1169	1284	1635	1216	1262	1386	1765	1094	1135	1247	1588
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	643	803	1194	1690	613	765	1137	1608	738	925	1379	1956	704	881	1313	1861
SAFECO INSURANCE CO. OF AMERICA	896	999	1100	1412	848	946	1042	1338	832	928	1023	1312	788	880	968	1244
SHELTER MUTUAL INSURANCE CO.	907	1107	1546	2229	862	1053	1470	2119	907	1107	1546	2229	907	1107	1546	2229
STATE FARM FIRE AND CASUALTY CO.	1491	1751	2134	2826	1237	1453	1771	2346	1240	1456	1775	2351	1029	1209	1473	1951
STATE NATIONAL INSURANCE CO.	822	1048	1271	1944	781	997	1207	1847	898	1145	1389	2125	851	1086	1316	2014
TRAVELERS HOME AND MARINE INSURANCE CO.	607	688	867	1260	571	646	814	1180	548	615	757	1062	519	582	716	1003
UNITED SERVICES AUTOMOBILE ASSOCIATION	1508	1552	1674	1854	1425	1465	1581	1750	1498	1542	1666	1847	1413	1453	1571	1741
USAA CASUALTY INSURANCE CO.	1469	1512	1631	1807	1392	1431	1544	1710	1459	1502	1623	1800	1380	1418	1534	1700