

## The Cost of Homeowners Insurance

Generally, the more coverage you need, the more expensive the premium. Factors that may affect your homeowners premium include:

- Construction, location and age of the home;
- Claim history of the home;
- Deductible selected (generally, the higher the deductible, the lower the premium);
- Loss experience of your insurance company;
- Dependability of the fire alarm system;
- Proximity of water supply;
- Fire fighting equipment and efficiency of your local fire department.

### How to save on homeowners insurance:

- **The age of your home makes a difference.** Newer homes tend to have fewer losses, especially those involving broken water pipes or leaking roofs. Most insurers provide discounts for homes less than eight years old.
- **Location, location, location.** It's the key to real estate. Look around and consider your home's risk to flood damage, etc. The more risk you see, the more important it is to get the right coverage.
- **Raise the deductible.** Deductibles on homeowners policies typically start at \$250. By absorbing more of the loss, you can reduce the premiums you pay.
- **Select an insurance company you are comfortable with.** Contact several insurance companies and agencies to discuss coverage and costs. Prices vary, but don't consider price alone. Talk to a number of insurers to determine the type of service provided. If buying a home, check with your realtor and escrow officer about your lender's loan requirements.
- **Buy your home and auto policies from the same insurer.** Some companies that sell homeowners, auto and liability coverage will discount your premium if you buy two or more policies from them.
- **Insure your house, not the land.** The land your home sits on is not at risk for theft, windstorm, fire or other perils covered in your homeowners policy. So, don't include its value in deciding how much homeowners insurance to buy.
- **Increase home security.** You can usually get discounts for smoke detectors, burglar alarms or dead-bolt locks. Some companies offer to cut premiums by as much as 10 or 15 percent if you install a sophisticated sprinkler system and fire and burglar alarms that ring at the police station or other monitoring facility.

- **Stop smoking.** Smoking accounts for more than 23,000 residential fires a year. That's why some insurers offer to reduce premiums if all the residents in a house don't smoke.
- **Maturity.** Retired people tend to stay at home more. They have more time for maintaining their homes and spot fires sooner. If you are at least 55 years old and retired, you may qualify for a discount.
- **Check for longevity discounts.** Some insurers will reduce your premium if you stay with them for three or more years.