

15 Ways To Reduce The Cost Of Your Homeowners Insurance Policy by 20%



If you own a home or are in the process of buying your first house, you must know by now how expensive home insurance premiums can get depending on the size, content and insurer of the home.

How much you pay for your **homeowners insurance may differ by hundreds of dollars**. Just by making some small changes to your home insurance policy, we can help you reduce this fee. We have put together a list of the most important factors that **will lower your home insurance premium by at least 20%**.

15 Ways to Save 20% On Your Homeowners Insurance Premium:

1. Shop around
2. Increase your deductible
3. Leave out the value of land when assessing the insurance need
4. Buy several policies from one insurer
5. Reinforce & upgrade your home
6. Update the security of your home
7. Search for discounts
8. Maintain a healthy credit score
9. Remain with the same insurer
10. Reassess your policy and values annually
11. Get private insurance in case you are covered by government insurance plan
12. Think about homeowners insurance whenever you are purchasing a home
13. Call your current agent or broker
14. Add an umbrella policy
15. Ask for a list of discounts your homeowners insurance company offers and compare that to the list applied to your policy

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1)Shop around

It might be time consuming, but you can save a sizable amount of money. Get help from your friends, talk to the insurance department in your State or browse the yellow pages. The National Association of Insurance Commissioners possesses information that might help you out when selecting an insurance company in your particular state. You can also go through their site (www.naic.org) and get information relating to the insurer, including any complaints relating to them. States frequently reveal information relating to the standard rates charged by the leading insurers and a lot of states provide lists detailing the rate of customer complaints per insurance company.



In addition you also need to look at online insurance quote services, information concerning agents and companies as well as consumer guides. This will let you have a rough idea of the range of prices available and reveal the insurers with the most affordable prices. However, you must consider other things besides the prices. The company that you choose must give a reasonable price and provide the level of service you would hope for if you needed help when filing an insurance claim. Therefore, as you evaluate the quality of service, utilize the complaint information mentioned above and speak to several insurance companies to get an idea about the type of service they provide. Request them to explain what action they would take in order to reduce your costs.

Analyze the financial solidity of the companies you are thinking about using consumer magazines and rating firms like Standard & Poors (www.standardandpoors.com/ratings) and A.M. Best (ambest.com). After you narrow down your choices to three insurance companies, ask them to give you price quotes.

2) Increase your deductible



A deductible essentially refers to the specified sum of money that you must pay towards covering a loss before your insurer starts to pay, as stated in the terms of the policy. When you pay a higher deductible, this means that you will pay less premium. Many insurance companies these days advise that you increase the amount to over \$500. It is possible to lessen your insurance costs significantly if you could manage to increase your deductible to \$1,000. Note that if you reside in a region that is disaster-prone, your policy could have a separate deductible for specific types of damage. In case you live near the Eastern coast, you could get a separate deductible for windstorms. Where your home state is susceptible to hailstorms, you could have a separate hail deductible. In the same vein, if your locality is vulnerable to earthquakes, your earthquake policy may contain a deductible.

3) Leave out the value of land when assessing the insurance you need

Your land cannot be endangered by windstorm, fire, theft or other perils defined in your homeowners insurance policy. For that reason, disregard its cost when working out how much homeowners insurance coverage you need to buy. When you fail to do that, you may find yourself suffering higher costs than necessary.



GET FREE QUOTES FROM
INSURANCE COMPANIES

4) Buy several policies from one insurer



Some insurance companies that deal with homeowners, liability and auto insurance coverage will reduce your premium by five to fifteen percent if you purchase more than one policy from them. However, make sure that the unified cost is less than buying individual insurance policies from various companies.

5) Reinforce and upgrade your home



Request your insurer or insurance agent to advise you on the best course of action so as to ensure that your home can resist windstorms and other such natural calamities. You might lower your policy premiums by installing shutters that are storm-resistant, reinforcing your roof or even procuring more robust roofing materials. Older houses can be modernized to improve their ability to resist earthquakes. Additionally, think about upgrading your electrical, plumbing and heating appliances so as to bring down the risk of water and fire damage.

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TOP HOMEOWNERS INSURANCE CARRRIERS

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6) Update the security in your home



Normally, you can obtain discounts of more than five percent for installing dead-bolt locks, burglar alarms and smoke detectors. Several companies offer to reduce your premium by about 15 or 20 percent if you put up an advanced sprinkler, anti-fire and anti-burglar system that is connected to the fire and police stations or other monitoring services. Such systems can be expensive and not every system makes you eligible to be awarded a discount. Prior to installing such a system, get recommendations from your insurer regarding the best device, the cost and how much savings you will realize on premiums.

7) Search for discounts

Insurance companies give different kinds of discounts which vary in amount and depend on the particular state. For instance, retired people are at home more than working people. This lowers the likelihood of getting burglarized, and they can detect fires earlier. In addition, they have more time to maintain their houses. As a result people who are more than 55 years old and have retired can qualify for at least 10 percent discount by various insurers. There are professional bodies and employers insurance plans that can offer better bargains than what is in the market.

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8) Maintain a healthy credit history



Building a strong credit history can lower your insurance costs. More and more insurers are using credit data to set the price homeowner insurance policies. The majority of states require the insurer to advise the insured about any unfavorable action, for example when charging a higher rate. When that happens, you are supposed to ascertain the accuracy of the data used by the insurer to justify the increase. In order to safeguard your credit rating, pay your bills promptly, do not apply for more credit than you need and maintain your credit balance as low as you can. Monitor your credit record frequently and get any errors rectified immediately so that your credit record stays accurate.

9) Remain with the same insurer

If you have maintained your insurance coverage with the same insurer for a couple of years, you may get a special discount as a reward for being a good customer. Some insurance companies cut their premiums by five percent in case you remain with them for three to five years and ten percent if you stay with them for a period of six years and over. However, it is important to compare the cost of their policies with those of other companies from time to time.



10) Reassess your policy limits and the value of your assets annually



Preferably, your policy ought to take into account any significant purchases or upgrades to your home. Obviously, it is imprudent to spend money on insurance coverage that is not really necessary. If you have a fur coat that you bought for \$5,000, it might not be worth that much today. It is therefore advisable to lower or scrap your floater (additional insurance for articles whose total value is not covered by normal homeowners policies- for example precious artwork, high-end jewelry and expensive computers) and keep the extra cash.

11) Get private insurance in case you are covered by a government insurance plan

If you reside in a region that is dangerous, for example one that is susceptible to crime, coastal storms or fires and you have been purchasing your homeowners insurance policy using a government plan, it is important to reach out to the sales department of your insurance company, insurance agent or the staff at your state department of insurance and get the names of insurers who may be keen to get your business. You might learn that there are things you can do to purchase insurance at reduced cost in the commercial market.

12) Think about homeowners insurance whenever you are purchasing a home



You can lower your insurance cost by buying a home that is adjacent to a fire hydrant in a neighborhood that is served by a professional (not voluntary) fire department. It can also be less expensive if the plumbing, heating and electrical systems in your home were installed less than ten years ago. If you reside in the eastern section of the country, consider buying a home that is constructed using brick since it has more wind resistance. If you reside in a zone that is susceptible to earthquakes, consider getting a wooden frame home since it can tolerate earthquakes better. Making a smart selection can lower your premiums from five to fifteen percent.

Study the Comprehensive Loss Underwriting Exchange (CLUE) report of the house you intend to buy. Such reports detail the insurance claim history of the property you intend to buy and it can help you as you evaluate some of the issues in the house.



Note that a normal homeowners policy does not cover earthquake damage and flood insurance. In case you purchase a home in a region that is susceptible to floods, you will have to take out a flood insurance cover that goes for about \$400 per year. The Federal Emergency Management Agency offers beneficial information concerning flood insurance on their website page ([fema.gov/nfip](https://www.fema.gov/nfip)). An individual earthquake policy is offered by the majority of insurers. The cost of the insurance policy will be determined by the probability of experiencing earthquakes in the region you live. In California, this coverage is provided by the California Earthquake Authority.

Assuming that you have any queries pertaining to the insurance needs of any of your belongings, remember to ask the sales representative of your insurer or agent as you are searching for the best policy. As an illustration, when you conduct your business from your home, see to it that you talk about insurance coverage for such a business. The majority of homeowners insurance covers protect the business equipment in your home-but coverage is capped at just \$2500. Furthermore, they do not offer any business liability insurance coverage. Even though you want to reduce the price of your home owners insurance, it is also important to ascertain that you have all the coverage you require.

13) Call your current agent or broker



Many times, your current agent or broker may have an inside scoop on a new product or program that has become available in your area. Give

them a call and ask them to look over your policy and make suggestions on ways to lower your premium without sacrificing coverage.

14) Add an umbrella policy

It may seem silly to add coverage to save money but many insurance companies offer large discounts to clients that have a homeowners policy and add an umbrella policy. The reason is retention. Data shows that clients with two or more insurance policies in force with the same company are less likely to put in a claim and more likely to remain a client of theirs.

15) Ask for a list of discounts your homeowners insurance company offers and compare that to the list applied to your policy



Many companies are required to offer discounts to clients when they request them but they aren't upfront about which ones are available. For instance, are you a non-smoker? Does your policy show a non-smoker discount? Lots of insurance companies offer a discount for being a non-smoker but either forget to offer it or never ask the client. Getting a full list of discounts offered by the insurance company and comparing those against the discounts listed on your current policy is one way to ensure you aren't missing out.

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Related Home Insurance Articles

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Is Your Home Insurance Too High? . You're not the first person to look at their insurance policy and realize **that your property's insured value is too high**. In fact, **two out of three homes in the US are underinsured**, yet there are still plenty of people who believe they've over insured their home. We're not saying this may not be the case, but the only real way of finding that out is by reviewing the value listed on your policy (usually called Dwelling limit or Coverage A) on a yearly basis. This way, you'll be able to know whether your home is properly insured. [READ MORE>>](#)

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7 Important Steps to Filing a Successful Homeowners Insurance Claim . Any peril which is covered under an **insurance policy** that occurs in your home, has to be paid out by your insurer; but the first step is the claim filing process. The first step to take is to notify your agent in writing, at the first possible moment. A policy is a contract which is binding between you and your insurer; this means there are rules in place you have to follow, but also rules they have to follow if an accident does take place. It is also important to read and fully understand the policy, to ensure you know what is and isn't covered. [READ MORE>>](#)

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Insuring Your High End Home with High Value Home Insurance. Almost all **insurance policies** are designed with the average-priced home in mind. Generally speaking, insurance companies offer standard policies that suit the needs of nearly all homeowners. But it reaches a point when the standard homeowners insurance policy may not be sufficient enough to rebuild your home or replace your valuable furnishings. [READ MORE>>](#)

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