



# Shopping for Insurance: Saving On Home Insurance

There are ways to save on your insurance premium without compromising your insurance needs.

**Shop around.** Prices vary from company to company, so it pays to shop around. You can call companies directly or access information on the Internet.

Get quotes from different types of insurance companies. Some sell through their own agents. These agencies have the same name as the insurance company. Some sell through independent agents who offer policies from several insurance companies. Others do not use agents. They sell directly to consumers over the phone or via the Internet.

But don't shop price alone. You want a company that answers your questions and handles claims fairly and efficiently. Ask friends and relatives for their recommendations.

**Raise your deductible.** A deductible is the amount of money you have to pay toward a loss before your insurance company starts to pay a claim. The higher your deductible, the more money you save on your premium. Consider a deductible of at least \$500. If you can afford to raise it to \$1,000, you may save as much as 25 percent.

**Buy your home and auto policies from the same insurer.** Most companies that sell homeowners insurance also sell auto insurance policies. Some insurance companies will reduce your premium by 5 percent to 15 percent if you buy two or more insurance policies from them.

**Ask about other discounts.** You can usually get discounts of at least 5 percent for a smoke detector, burglar alarm or dead-bolt locks. Some companies may cut your premiums by as much as 15 or 20 percent if you install a sophisticated sprinkler system and a fire and burglar alarm that rings at the police, fire or other monitoring stations. Seek out other discounts for being in a group or being a senior citizen.

**When you're buying a home, consider the cost of homeowners insurance.** The price you pay for homeowners insurance depends in part on the cost of rebuilding your home and the likelihood that it will be damaged by natural disasters or that it will burn down. You may also pay less if your home's electrical, heating and plumbing systems are less than 10 years old. Remember that flood insurance is not covered by a standard homeowners policy. The Federal Emergency Management Agency provides useful information on flood insurance on its Web site at <http://www.fema.gov/nfip>.