THE TRANSACITON | BUYER

HOW TO

Lower Homeowners Insurance Costs

The first step is to shop around; quotes on the same home can vary significantly from company to company.

**Review the Comprehensive Loss Underwriting Exchange report.**   
CLUE reports detail the property’s claims history for the last five years, which insurers may use to deny coverage. Make the sale contingent on a home inspection to ensure that problems identified in the CLUE report have been resolved.

**Seek insurance coverage as soon as your offer is approved.**   
You must obtain insurance in order to buy your home. And you don’t want to find out at closing time that the insurer has denied you coverage.

**Maintain good credit.**   
Insurers often use credit-based insurance scores to determine premiums.

**Buy your homeowner’s and auto policies from the same company.**   
Companies will often offer a bundling discount. But make sure the discount really yields the lowest price.

**Raise your deductible.**   
If you can afford to pay more toward a loss that occurs, your premiums will be lower. Also, avoid making claims for losses of less than $1,000.

**Ask about other discounts.**   
For example, retirees who tend to be home more than full-time workers may qualify for a discount on theft insurance. You also may be able to obtain discounts for having smoke detectors, a security system, and high-quality locks.

**Seek group discounts.**   
If you belong to any associations or alumni organizations, check to see if they offer deals on coverage.

**Conduct an annual review.**   
Take a look at your policy limits and the value of your home and possessions every year. Some items depreciate and may not need as much coverage.

**Investigate a government-backed insurance plan.**   
In some high-risk areas, the federal or state government may back plans to lower rates. Ask your agent what’s available.

**Insure your house for the correct amount.**   
Remember, you’re covering replacement cost, not market value.