

Tips for Saving on Homeowner's Insurance

Homeowner's insurance is designed to protect your property in the event of losses to your house and belongings. It also offers protection if someone is injured on your property. Here are some tips to remember when trying to obtain less costly homeowner's insurance:

- **Shop around:** Compare prices and policies from several insurance companies. The premiums charged for homeowner's insurance vary widely from company to company, so it pays to take the time and effort to shop around to get the best value for your insurance dollar.
- **Combine auto insurance with property insurance:** Many insurance companies provide a discount for carrying two or more policies with them. Consider combining your homeowner's policy and your auto insurance with the same company.
- **Consider actual cash value coverage vs. replacement cost coverage:** One important factor to consider when shopping for your homeowner's insurance policy is "actual cash value" vs. "replacement cost" coverage. Actual cash value coverage, as the name implies, will reimburse you for the cost of the property at the time of the claim taking into account depreciation, minus your deductible. *It's important to account for depreciation when considering this coverage option.* This may result in a lower claim payment than you expect. Replacement cost coverage will reimburse the full value of the damaged property—after you purchase the new item and submit your receipts. While the upfront cost is greater, you are more likely to receive accurate compensation for your possessions.
- **Raise your deductible:** The deductible is the amount you must pay out-of-pocket before the insurance policy kicks in on a claim. Raising your deductible from \$250 to \$500 will likely lower your premium.
- **Maintain a good credit history:** Some insurance companies are increasingly using credit information to price homeowner's insurance policies. Protect your credit standing by paying bills on time and keeping your credit balances low. Check your credit report on a regular basis and promptly correct any errors.
- **Install safety/security devices:** Smoke detectors, burglar alarms and deadbolt locks can prevent or minimize damage or loss. More sophisticated alarm systems will also help. Many companies provide discounts for these security measures. Always report home security improvements to your insurance agent and ask about possible discounts.
- **Stay with one insurance company:** If you stay with one company for a period of years, that company *may* offer you a discount for your loyalty.

For more information on buying homeowner's insurance, consult the Office of the Commissioner of Insurance's "[Consumer's Guide to Homeowner's Insurance](#)" available on OCI's Web site or by calling the numbers below.

State of Wisconsin
Office of the Commissioner of Insurance
P.O. Box 7873
Madison, Wisconsin 53707-7873

OCI's Web Site
oci.wi.gov

Telephone Message System
(608) 266-3585 (Madison)
1-800-236-8517 (Outside Madison)

Deaf, hearing, or speech impaired callers may reach OCI through the WI TRS