Special Report for Homeowners

10 Ways You Can Save Money on Your Homeowners Insurance — And Provide Better Protection for Yourself and the People You Love!

By Jay Stoetzer, Home Protection Advisor

Dear Homeowner,

Your home is probably your most valuable asset. **It is also a huge risk for you financially.** What if something happens to it? A fire? A flood? Vandalism? What if someone visiting you slips, falls and suffers a serious injury — and sues you? An accident like that could put a dent, or worse, in your financial security.

For most people, insurance is a mystery. They know they need insurance for their homes (mortgage lenders require it), but they don't understand the coverage provided by the policy, and they don't know which insurance companies offer the best prices. Because they don't understand the product, many people think insurance is a rip-off — and it is, **if you pay too much or buy coverage you don't need.**

All homeowners insurance is not created equal. In fact, almost none of it is. There are thousands of different products out there, from hundreds of insurance companies. How do you find the insurance and the insurance company that are best for you? You read this special report and tap into my knowledge of the products and the companies that offer them. I am an insurance “insider” — a licensed member of the “club.” I've sold the product. I know what kind of insurance fits your needs, and I know which insurance companies sell it at the best price. Because I've specialized in the insurance needs of homeowners and their families, I have decided to dedicate myself to solving some of the mysteries of homeowners insurance for you.

Replacement Cost or Actual Cash Value

Your homeowners policy does not provide coverage for all potential catastrophes that could damage or destroy your home. **Earthquake and flood are two “perils” for which there is no coverage** (you can get coverage for earthquake and flood damage in a separate policy or as an endorsement). Also, there is no coverage for damage caused by water that seeps into your home from the ground. You do have coverage for losses related to fire, smoke, lightning, wind storms, hail, explosions, vandalism and theft.

There are different ways to insure your home, both the structure and your personal property. Let's take the structure first. **There are two types of coverage: replacement cost and actual cash value.** Replacement cost is better for you, the homeowner. Under replacement cost coverage, the insurance will cover the cost of replacing the part of the structure that is damaged, up to a maximum dollar amount. Under actual cash value, the insurance will cover the cost of replacing the damaged structure minus an allowance for depreciation. If you have an older home, that allowance could be quite significant. *Unless your policy specifically says it provides replacement cost coverage, the coverage is for actual cash value.*

So how much insurance should you have? Basically, unless you want to pay some of the costs yourself, **you should insure your home for what it would cost to rebuild if your residence were destroyed.** Your insurance agent can have an answer for you in no time. In the home construction world, building costs are calculated on a square-foot basis: take the square footage of your house and multiply by the average per-square-foot building rate in your area.

Your possessions are also insured on a replacement cost or actual cash value basis. Again, unless specified otherwise, the coverage in your policy is actual cash value. **Homeowners policies also have limits on coverage for such items as jewelry, fine art and computer equipment.** Read your policy and see what these limits are. For example, the standard policy will provide a maximum of $1,000 coverage for your jewelry if it is lost or stolen. If you have lots of jewelry, fine art or computer equipment, you should consider purchasing a special personal property endorsement or “floater” that provides the coverage you need.

Speaking of need, **you need to take written and visual (photo or video) inventories of everything you own** in your home and other buildings on the property — furniture, appliances, electronics, hobby materials, recreational equipment, china, silverware, kitchen equipment, linens, jewelry and clothing. For major items, write down the serial number, make or model number, purchase price, present value and date of purchase. If you have receipts, attach them to the inventory. **Make at least two copies of the inventory and store one offsite — a safe deposit box is a good place. Store the pictures or video offsite as well.**

10 Ways to Save $

1. One Insurer, Multiple Policies — Do you have an automobile insurance policy? If so, is it with the same insurance company that provides your homeowners insurance? If the answer's no, you're paying too much — for both policies. Almost every insurance company that sells homeowners insurance wants its policyholders to also buy auto insurance from that company. These insurers offer so-called multi-policy discounts. Usually these discounts are at least 10%, and some insurers apply the discounts to both policies.

2. Raise Your Deductible — The deductible is the amount you pay before insurance kicks in if you have a claim. For example, with a $250 deductible and a $1,000 claim, you pay the first $250 and your insurer pays $750. The higher the deductible you choose, the less you pay for your policy. Depending on the insurance company, you can save between 12% and 37% with a deductible of $500 to $5,000.

3. New Is Better — Insurers really like newer homes, because it's less likely something will go wrong with the electrical, heating and plumbing systems — and the structure itself is in better shape. Insurers offer discounts of as much as 8% to 15% if your residence is new.

4. Location, Location, Location — Where do you live, and what is your home made of? In the Eastern United States, it's better from an insurance perspective to have a brick or masonry residence because it resists wind damage. By contrast, frame homes are better in the earthquake-prone West. The right structure in the right region can save you 5% to 15%. If your home is near a fire station, you'll pay less. If you live in a flood-prone area, you may be required to buy a flood insurance policy — and if you aren't required but still live in a flood-prone area, remember your homeowners policy will not cover flood losses.

5. Insure the House, Not the Land — Nobody is going to steal your land, and fire and high winds won't “destroy” it. When deciding how much homeowners coverage to have, don't include the value of the land — only the value of the house and any other buildings on the property. If you include the value of the land, you're paying too much.

6. Don't Insure What You Don't Have — Each year, review your policy to see what coverage you have for your possessions. If you've made a major purchase, you'll want to increase your limits — but what if you sell something? You don't need as much coverage. Pay particular attention to items covered by endorsements or “floaters,” such as jewelry and computer equipment.

7. Better Safe(r) Than Sorry — Smoke detectors, burglar alarms and deadbolt locks are usually worth discounts of at least 5%. You can get even bigger discounts, 15% to 20%, if you install a sophisticated sprinkler system or an alarm system that rings at the police station or a security company. However, not all systems qualify — before you install one, check with your insurer to find out what type qualifies and how much you'd save.

8. Where There's Smoke . . . — There's fire. Smoking (unattended cigarette butts, etc.) produces more than 23,000 residential fires in this country each year. That's why some insurers have discounts if all the residents in a home are nonsmokers.

9. Manage Your Risk — Some insurers adversely underwrite certain hazards such as trampolines (a leading cause of homeowner lawsuits), unfenced swimming pools, certain animals (dogs with a biting history), or business exposures on your premises. All of these should be discussed before ever purchasing a policy.

10. Don't Jump Around — If you've been with an insurer for a while and you like that insurer, stay put. Some insurance companies automatically apply discounts for policyholders who have been with them a certain number of years — for example, 5% for at least three years, 10% for at least five years.

Is Your Coverage Adequate?

I won't kid you. There's more to this insurance game than saving money. While it's nice to lower your insurance costs, it's probably even more important to make sure you, your loved ones and your assets are covered adequately. It's not a pleasant thought, but **insurance is about worst-case scenarios. It's also about peace of mind** — knowing that you have the worst-case scenarios covered.

Because I know peace of mind is so important, I am willing — actually, I'm excited — to reveal to you the secrets about insurance. Secrets that ensure you have all the protection you need. Why would I just give these secrets away? Because it's just as good for my business as it is for you. I have found, time and time again, that generosity and the willingness to provide really great service come back to me. Tenfold. In fact, that's how I have built my business.

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Three Steps to Protection

1. Have an insurance specialist conduct a risk analysis of your home, car(s) and family. How can you adequately address your risks with insurance if you don't even know what these risks are? I've found that most people face more risk than they know. If you haven't had your risks assessed by an insurance professional, you could be inviting financial disaster. You need a knowledgeable insurance insider to put together a comprehensive insurance plan that truly protects you. Our office will do that for FREE.

2. Use an independent agent. Some people buy home insurance by calling a toll-free number and talking to an employee of an insurance company. Others take advantage of direct mail offers. And some buy from agents who represent just one company. A direct mail piece is not going to assess your level of risk. Do you really want an insurance company employee to be your agent? And what happens if the agent who represents just one company doesn't have the coverage you need? You need someone who works for you, who can go to numerous insurance companies and compare products and prices — and who, if necessary, can place parts of your program with more than one company. Do you want a good price? Options and flexibility? Protection against worst-case scenarios? There's only one option here: use an independent agent.

3. Don't trust the financial protection of you, your family and your assets to an agent who is not a homeowners insurance specialist. Insurance is a huge industry — there's insurance for everything, and nobody can specialize in all of it. A professional independent agent can specialize in only a few niches and really understand them. And I do. I've studied the homeowners insurance market in our community for years. I know which homeowners insurers have the best rates, which give the most discounts, and which provide the best claim service.

But That's Not All — Are You Really Positive You're Covered?

Most homeowners policies severely limit certain personal property items. Many people have no idea they are NOT protected for many items under a standard homeowners policy. We want to make absolutely sure you understand these reductions so you can make the decision that is best for you.

Common Personal Property Limitations

- $200 for money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins, medals, and stamps
- $1,000 for securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, and tickets
- $1,000 for watercraft including their trailers, furnishings, equipment, and motors
- $500 for trailers not used with watercraft
- $1,000 for grave markers
- $1,000 to $2,500 (varies by company) for theft of jewelry, watches, furs, precious and semi-precious stones — there may also be a per-article limit; mysterious disappearance is not covered here
- $1,000 for theft of firearms
- $2,500 for theft of silverware, silver-plated ware, goldware, gold-plated ware, and pewterware
- $1,000 to $2,500 for business property of any type on your premises
- $250 for any business property away from your premises

You may also have limitations for collectible items. Antiques, fine art, or any other special items should always be discussed. Other standard home policy limitations include earthquake, flood, and building ordinance or law (updates required by local building codes are not covered on an older building unless this protection is included).

Don't take any insurance coverage for granted. Take a moment now to ask us whether you have the proper protection — before it's too late.

I will give you this information for FREE. No charge. No obligation. I do this because I've built my business on my reputation. I never hard-sell insurance. I'm in the service business — the better service I provide, the better it is for all of us. **My clients stay with me because of my service, and they refer me to their family and friends.** I believe I serve families in our community better than anyone in this area — in any profession — because I spend a lot of time with my clients, determining their needs, their level of risk, and finding the perfect insurance program for them.

So if you want to protect yourself, your family and your assets from a crisis or catastrophe — or just see if you can save money on your insurance — call my office. We'll be glad to help.

Jay Stoetzer

Home Protection Advisor

P.S. To find out if you and your family are adequately protected from financial disaster — or just to see if you can save money on your insurance — please call our office at 816-384-7738. Quotes are FREE. We're here to help!

Call Now: 816-384-7738 — For a FREE, No-Obligation Quote