

GUIDE TO OBTAINING A HOMEOWNERS INSURANCE QUOTE

Whether you are buying a new home or just shopping your insurance for better coverage or premium, it helps to be prepared when you start calling insurance agents. Our guide will have you prepared with all the information an insurance agent will need as well as important questions you should ask the agent. It will also help you understand why your agent is asking these questions.

The questions agents ask have 3 primary purposes. First are underwriting questions. This is information the company requires so that they can determine if they are willing to insure your home. Some questions affect your premium. Your answer can increase or reduce your premium. They also ask questions to be sure you are properly insured. The more time they spend in this question/answer process the better. It's how they get to know you and your needs. You spend a lot of money on insurance. You don't want any surprises when you file a claim.

Questions Your Agent Will Ask

1. What is the **square footage** of your home
2. What **year was your home built**
3. **Date your home was purchased** - Some companies give discounts based on how long you have owned your home.
4. If your home is over 25 years old they will want to know information about your plumbing, heating, electrical and roof. The older your home is the more detail they will want. The type of claim we see most frequently is water damage caused by a broken pipe. Companies want to know that you have maintained your home.
 - a. **Plumbing** – what type of pipes do you have (copper, galvanized...) and approximately when was it last updated.
 - b. **Heating** – what type do you have (central, floor or wall furnace, gravity...) and approximately when was it last updated or serviced. Some companies do not like to insure homes with floor or wall furnaces.
 - c. **Electrical** – what type of electrical wiring do you have and are you on circuit breakers or fuses. Most homes built after the 1930's have copper wiring and circuit breakers. If the electrical has not been updated in a home built prior to the 1930's the wiring may be knob and tube which insurance companies do not like. Also, very few companies will insure homes on fuses.
 - d. **Roof** – what type of roof do you have (composition shingle, tile, wood shake, rock, slate, concrete, metal...) and what is the approximate age.
5. **Previous Claims** - If you have had a claim covered by your homeowners policy in the past 3 years you will want to be able to provide the agent with the details – date it happened, exactly what happened and how much the company paid out. This would apply also to a previous home you owned. Some claims stay with you even if you are not living in the same house.
6. **Burglar and/or Fire Alarm** – There are additional discounts if you have a central station alarm system. You should tell the agent if it is just burglar or a burglar and fire alarm.

7. **Fire Extinguisher** – If you have a fire extinguisher a small discount applies with some companies.
8. **Dead Bolts** – Do all of your exterior doors have dead bolts in addition to the standard door knob type of lock?

Questions Your Agent Should Ask But Probably Won't

1. **Personal Property Coverage Limitations** – One coverage under your homeowners insurance policy is personal property. If your TV is stolen or a fire damages your couch your policy would provide coverage. But some of your personal property has special limits – or a maximum limit the company will pay in the event of a loss. The limit varies by company (\$200-\$5000) as well as the types of personal property subject to this limit. Following are types of personal property that often have limits.
 - a. Jewelry, watches, furs
 - b. Silverware, goldware, pewterware
 - c. Computers
 - d. Money, prepaid cards, securities, debit cards, checks, including cashier checks and money orders
 - e. Bicycles
 - f. Personal Property used for business
 - g. Area rugs or tapestry such as Oriental, Indian etc.
 - h. Coin collections, sports cards, stamp collections, comic books
 - i. Fine Arts
 - j. Antiques

If you own any of these items be sure to tell the insurance agent quoting your homeowners insurance and be prepared to tell him how much it would cost to replace it. Ask him to tell you what the personal property special limits of liability are in the policy he is quoting.

2. **Details about your home construction** – Your agent should ask you a lot of questions about your home. How many bedrooms and bathrooms, do you have marble, granite countertops or custom cabinets, how many fireplaces do you have? All agents recommend a limit for you to insure your home. Although no agent should be considered a residential property appraiser, they do have tools to help them recommend a limit if they have the details of your home. We use Marshall Swift/Boeck (MSB), a company that specializes in determining residential replacement cost. MSB also makes it possible for consumers to obtain a detailed report that calculates the estimated replacement cost of your home. You can go online to <http://accucoverage.com>. The cost is \$7.95.
3. **Occupation and Education Discount** – Be sure to tell your agent your occupation and any degrees you may have. Some companies give discounts for a wide variety of occupations and degrees.

When choosing a homeowners policy you should look beyond the price. Be sure it is not the lowest premium because there is less coverage.