

Consumer Alert From the Insurance Commissioner's Office: Save Money on Your Homeowners Insurance

Local News

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OLYMPIA, Wash. - Strapped for cash and considering dropping your insurance to help make ends meet? Insurance Commissioner Mike Kreidler strongly cautions that you consider other options to save money. "In most cases, the long-term risk heavily outweighs the short-term savings," said Kreidler. "You might save some money now, but you stand to lose everything, or even end up homeless, in the event of a fire or some other problem." There are ways to save money and maintain coverage on your home. Here are a few tips:

- Review your coverage.** If local construction costs have dropped, you may be able to lower your coverage. Be aware, though, that coverage is based on rebuilding costs, not home values - so a decrease in home value does not necessarily mean your coverage should be reduced.
- Ask about discounts.** Discounts can vary widely between companies. For example, insurers may offer a lower premium if you have multiple policies with them, such as auto or boat or RV policies, maybe even life insurance. Others offer discounts for people who are over 55 and retired or those who have an alarm system.
- Raise your deductible.** Higher deductibles can mean savings. It also means you'll have to pay more out-of-pocket in the event of a loss, so consider carefully.
- Report improvements.** If you have made safety upgrades, such as new wiring, plumbing or heating systems, let your insurance agent know.

People also should take an inventory of their belongings whether they rent or own. "Lists, videos, photos and receipts are a must," said Kreidler. "Without proof of ownership and value, the claims process is much more difficult and it could leave you disappointed with the settlement if you experience a loss." A home inventory checklist and more information about shopping for homeowners insurance is available on the Insurance Commissioner's Web site at www.insurance.wa.gov/publications/index.shtml. Kreidler urges people to call his Insurance Consumer Hotline at 1-800-562-6900 if they would like more information about insurance.