

Home Insurance: How to Lower Your Homeowners Insurance Costs

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1. The Single Most Critical Factor in Getting the Best Home Insurance Deal

The number one mistake made by Home insurance seekers is approaching only the companies that are most heavily advertised. The first home insurance company that comes to mind is not necessarily the one that will offer you the best rates.

The single most critical factor in getting the deal that is best for you is shopping around for as many quotes as you can. Why? because different home insurance companies charge different rates for the same coverage. In addition, insurance companies' competitiveness differ tremendously by customer location.

Only by obtaining several quotes that are specific to your situation and location you will be really able to discover the best plan that is available to you. How many quotes? go for at least 3 quotes from different insurers, less than that will not do the job.

Now, usually shopping around for three quotes can be a tedious and time consuming task, however, you can make it easier and more effective by using a free online quoting service such as [Insurance-Me](#) (If the link doesn't work, copy and paste the following URL into a browser: www.liraz.com/insureme).

Insurance-Me will provide you with several competing offers from reliable home insurance providers that offer good plans in your area thus enabling you to compare and pinpoint on the best plan that is available for your location.

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2. Top Ways to Save on Your Home Insurance

1. Raise Your Deductible - Deductibles are the amount of money you have to pay toward a loss before your insurance company starts to pay a claim, according to the terms of your policy. The higher your deductible, the more money you can save on your premiums. Nowadays, most insurance companies recommend a deductible of at least \$500. If you can afford to raise your deductible to \$1,000, you may save as much as 25 percent. Remember, if you live in a disaster-prone area, your insurance policy may have a separate deductible for certain kinds of damage. If you live near the coast in the East, you may have a separate windstorm deductible; if you live in a state vulnerable to hail storms, you may have a separate deductible for hail; and if you live in an earthquake-prone area, your earthquake policy has a deductible.

2. Don't confuse what you paid for your house with rebuilding costs - The land under your house isn't at risk from theft, windstorm, fire and the other perils covered in your homeowners policy. So don't include its value in deciding how much homeowners insurance to buy. If you do, you will pay a higher premium than you should.

3. Buy your home and auto policies from the same insurer - Some companies that sell homeowners, auto and liability coverage will take 5 to 15 percent off your premium if you buy two or more policies from them. But make certain this combined price is lower than buying the different coverages from different companies.

4. Make your home more disaster resistant - Find out from your insurance agent or company representative what steps you can take to make your home more resistant to windstorms and other natural disasters. You may be able to save on your premiums by adding storm shutters, reinforcing your roof or buying stronger roofing materials. Older homes can be retrofitted to make them better able to withstand earthquakes. In addition, consider modernizing your heating, plumbing and electrical systems to reduce the risk of fire and water damage.

5. Improve your home security - You can usually get discounts of at least 5 percent for a smoke detector, burglar alarm or dead-bolt locks. Some companies offer to cut your premium by as much as 15 or 20 percent if you install a sophisticated sprinkler system and a fire and burglar alarm that rings at the police, fire or other monitoring stations. These systems aren't cheap and not every system qualifies for a discount. Before you buy such a system, find out what kind your insurer recommends, how much the device would cost and how much you'd save on premiums.

6. Seek out other discounts - Companies offer several types of discounts, but they don't all offer the same discount or the same amount of discount in all states. For example, since retired people stay at home more than working people they are less likely to be burglarized and may spot fires sooner, too. Retired people also have more time for maintaining their homes. If you're at least 55 years old and retired, you may qualify for a discount of up to 10 percent at some companies. Some employers and professional associations administer group insurance programs that may offer a better deal than you can get elsewhere.

7. Maintain a good credit record - Establishing a solid credit history can cut your insurance costs. Insurers are increasingly using credit information to price homeowners insurance policies. In most states, your insurer must advise you of any adverse action, such as a higher rate, at which time you should verify the accuracy of the information on which the insurer relied. To protect your credit standing, pay your bills on time, don't obtain more credit than you need and keep your credit balances as low as possible. Check your credit record on a regular basis and have any errors corrected promptly so that your record remains accurate.

8. Stay with the same insurer - If you've kept your coverage with a company for several years, you may receive a special discount for being a long-term policyholder. Some insurers will reduce their premiums by 5 percent if you stay with them for three to five years and by 10 percent if you remain a policyholder for six years or more. But make certain to periodically compare this price with that of other policies.

9. Review the limits in your policy and the value of your possessions at least once a year - You want your policy to cover any major purchases or additions to your home. But you don't want to spend money for coverage you don't need. If your five-year-old fur coat is no longer worth the \$5,000 you paid for it, you'll want to reduce or cancel your floater (extra insurance for items whose full value is not covered by standard homeowners policies such as expensive jewelry, high-end computers and valuable art work) and pocket the difference.

10. Look for private insurance if you are in a government plan - If you live in a high-risk area -- say, one that is especially vulnerable to coastal storms, fires, or crime -- and have been buying your homeowners insurance through a government plan, you should check with an insurance agent or company representative or contact your state department of insurance for the names of companies that might be interested in your business. You may find that there are steps you can take that would allow you to buy insurance at a lower price in the private market.

11. When you're buying a home, consider the cost of homeowners insurance

You may pay less for insurance if you buy a house close to a fire hydrant or in a community that has a professional rather than a volunteer fire department. It may also be cheaper if your home's electrical, heating and plumbing systems are less than 10 years old. If you live in the East, consider a brick home because it's more wind resistant. If you live in an earthquake-prone area, look for a wooden frame house because it is more likely to withstand this type of disaster. Choosing wisely could cut your premiums by 5 to 15 percent.

Check the CLUE (Comprehensive Loss Underwriting Exchange) report of the home you are thinking of buying. These reports contain the insurance claim history of the property and can help you judge some of the problems the house may have.

Remember that flood insurance and earthquake damage are not covered by a standard homeowners policy. If you buy a house in a flood-prone area, you'll have to pay for a flood insurance policy that costs an average of \$400 a year. The Federal Emergency Management Agency provides useful information on flood insurance on its Web site at FloodSmart.gov. A separate earthquake policy is available from most insurance companies. The cost of the coverage will depend on the likelihood of earthquakes in your area. In California the California Earthquake Authority (www.earthquakeauthority.com) provides this coverage.

If you have questions about insurance for any of your possessions, be sure to ask your agent or company representative when you're shopping around for a policy. For example, if you run a business out of your home, be sure to discuss coverage for that business. Most homeowners policies cover business equipment in the home, but only up to \$2,500 and they offer no business liability insurance. Although you want to lower your homeowners insurance cost, you also want to make certain you have all the coverage you need.

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3. 101 Great Life Insurance Tips and Ideas

1. Check with your homeowner's insurance before adding any major recreational structures to your property. Adding on a swimming pool, above ground or in ground or even children's toys, like swingsets and trampolines, can significantly raise your homeowner's insurance rates. The increased cost of these items should be considered before any major renovation.
2. Pay down your mortgage to limit how much you pay for homeowner's insurance. Clearing a mortgage may not be an immediate possibility, but rather a long-term goal to

keep in mind. Generally, their belief is that if the home is yours, you are bound to take better care of it.

3. Insurance for your house is a must as long as you still owe a mortgage. This protects the bank on their investment. Once you own your home in full, you will still want your insurance in case of theft or other damage so that you are not left fully covering all the repairs and loss.

4. Stay away from pools and trampolines. While your kids may love to jump on the trampoline or swim in the pool, these little extras are insurance nightmares. Insurance companies will up to double the rates of a homeowner who installs either of these items. Stay away from extras with the potential to harm!

5. research the financial health of the company that you're considering getting insurance from. You must make sure they have the cash to pay your claim if you have to file one. Once you purchase the policy, do this every three months.

6. Consider getting special earthquake coverage if you live in an area where such a policy is warranted. Standard homeowner's insurance policies do not cover earthquakes; therefore, if your home is struck by an earthquake, you will have to pay for all the repairs and the costs of replacing your personal belongings.

7. Raise your deductible to lower your premiums. You have to do research, because small claims can cost you money and you have to pay them, such as leaky pipe damage and broken windows.

8. Talk to your insurance agent or company and find out ways you can protect your home from natural disasters or preventable claims. Retrofitting a home with items like storm shutters or roof reinforcement makes your home more likely to withstand storms and also may affect your home owner insurance premium.

9. To lower your home insurance rates, add new safety features to your home. Home insurance companies often have discounts available based off of safety features like door and fire alarm systems. If you have recently upgraded your home with these features, be sure to call your insurance company to alert them and check on potential discounts.

10. To decrease your insurance rates, upgrade your home appliances, heating and electrical systems. When these systems are newer, the cost to replace them, in the case of a claim, is less expensive than with older appliances and systems. Don't forget to call your home owner's insurance company if you recently upgraded. It could mean money in your pocket.

11. You need to remember that you must insure your home, but not the land it sits on. If you purchase coverage for the market value of your home, including the land, you have probably purchased more than you need. Even after a natural disaster, the land will still be there, it is your home that you must insure and protect.

12. Some insurance companies offer a discount if your home insurance has been effective for a certain amount of time. This is called a renewal discount and you may be eligible for one if the insurance company you deal with offers this. Sometimes it is automatically applied, but you may have to ask to be sure.

13. If you are currently insured under a government plan, purchase home owner's insurance through a non-governmental company as soon as possible. Often, private insurance carrier rates are less expensive than government rates, depending on the location of the property. If you live in an area prone to natural disasters, it may be difficult to find a private insurer willing to take on the risk, but the financial savings can be substantial.

14. Prepare a home inventory every year. Take pictures of your electronic equipments, books, appliances, jewelry and other valuables and store the images away from your home. This will help you to prove what you owned in case of a fire, flood, earthquake, or a robbery. Prepare a handwritten or typed list of items can not be photographed easily.

15. Taking a photo inventory of your home for your home owner's insurance is important, but make sure to label the photos or videos with the date they were taken. Items are often added or removed, so check your videos once a month to make sure they're up to date. When you buy or get rid of an item you can also put a sticky note somewhere prominent to remind you to update the video or photos.

16. There are two things you can do to lower your home insurance premiums. The first thing to do is have a security system installed. This may lower your premiums every year by 5 percent. You have to prove to the insurance company that your system is being monitored and was installed professionally, of course. Also, put in smoke alarms. This method can reduce your annual cost up to 10 percent.

17. When you are going to purchase homeowners insurance there are certain things that you should look for in a policy. A good thing to have is guaranteed replacement value insurance. This means that no matter the cost your home will be rebuilt if a disaster were to happen. Most people think this is automatic, however, since home values increased it probably would cost more now than what you had originally paid for the home. This way you are covered.

18. To protect your personal property in a rented residence, you need renter's insurance. The landlord or property owner will have insurance to cover losses on the building, but not on the items inside your unit. This is your responsibility. Fortunately, renter's insurance is quite affordable, and available from most insurance companies and independent agents.

19. Check your local state insurance website prior to getting a home insurance policy. It contains information that will prove to be quite valuable when making the decisions about your home insurance policy. It covers complaints, fraud reports and insurance company ratings, among other things. These tidbits could save you a lot of grief in the long run.

20. Before you purchase a policy with a homeowners insurance company, be sure to look at reviews of the company. The truth is, some companies are simply better and more fair than others, and you do not want to be stuck with a policy from a less than ideal homeowners insurance company.

21. An annual review of your homeowners insurance policy could lead to a considerable lowering of your premiums. In the event that you have installed any type of security or safety device such as alarms or indoor sprinklers, a call to your insurance company and provisions of proof of these changes will result in substantial savings for you.

22. When trying to save money on your homeowner's insurance, you should check out companies that offer multiple-policy discounts, which could be 10 percent or more if you have more than one type of policy with the same company. Examples would be if you had auto or health with a company, and then purchased homeowner's with the same company.

23. Look at the price difference between having a higher deductible and a lower one. A deductible is the cost you will pay out of pocket if you have a claim. You can go with a higher deductible for a lower cost usually, which will save you money throughout the years, especially if you don't have any claims.

24. Keep a record somewhere outside the home, like a safe deposit box, of the belongings you have in case something happens. You can take pictures or video of your possessions. You should do this in case something happens to your home and you need your items replaced by the insurance company.

25. In order to get the best rates on home owner's insurance, it is essential to maintain good credit or repair bad credit. Insurance companies look upon bad credit as an indication of how likely they are to lose money while insuring you, and you will pay more for a policy.

26. Choosing the right amount of home owner coverage, requires lots of consideration. Keep in mind that the policy's goal is not to pay off your mortgage in case of a disaster, but to pay for fixing the damages. Choose an amount that comfortably covers the complete rebuilding of your house, without you having to add too much from your cash reserve.

27. Can you imagine having to rebuild your home only to find out that your insurance won't cover the full costs? A way to avoid this is to get guaranteed replacement cost coverage which ensures that whatever the cost is, your house will be returned to its former glory. There is no limit to the replacement costs you can claim.

28. Consider moving. The area in which your home is located has a great impact on the cost of your home insurance. If your house is located in a rough neighbourhood which has a high crime rate, your home insurance is likely to be very expensive. By moving to a safer neighbourhood, you could significantly reduce your annual home insurance premiums.

29. When buying a home you can reduce your home owner's insurance rate by purchasing a house near a fire department. The closer you are, the more benefit you will get and therefore the higher discount on your premiums. Don't forget to put fire extinguishers around your house for further protection.

30. When you are looking around for insurance, make sure to specify any security features that are installed in your house. A security service and system for your home that is monitored remotely can effectively reduce your insurance premiums by 5% or more monthly.

31. Before speaking with a claims adjuster about your homeowner's insurance claims, get some repair estimates from trusted local businesses. This will give you some ammo against the insurance company when they tell you how much something will cost to repair or replace. Also, emergency repairs that you make to keep the damage from getting worse will be covered, as long as you keep receipts.

32. If you have high-value items, they may not be covered completely by typical homeowner's insurance. For example, expensive jewelry may need to be appraised, and then the insurer will issue a rider to cover the item in case it's stolen or damaged. Make sure to mention high-value items to your agent, to make the process of filing a claim easier, should you need to do so.

33. If you have a roommate you want to look to see if their things are covered in a catastrophe. Your policy may only include your personal items. Make sure you know what is covered so that you do not end up owing a roommate money.

34. Create a comprehensive list of the valuables that are in your home, and provide a copy to your insurance agent. Take pictures of your items, and have them stored somewhere away from your home. Confirm with your agent that all of these items will be covered, and make sure to update your agent on new valuable purchases that should be covered.

35. Get an estimate of damages to your home prior to filing a claim on your home owners insurance. If it is not going to cost you much more than the deductible to repair, do not file the claim. Each claim that you file will cause your premium to increase for the year.

36. Stay vigilant over the cost of your home insurance premiums by doing an annual check of your policy statements, and seek quotes from other companies to ensure you are paying the lowest rates. Your insurance doesn't always automatically reflect changes that can lower your rates, so you want to make sure any discounts for adding alarms, sprinkler systems or removing a swimming pool are applied. Staying vigilant is the best way to save money!

37. Keep one or two fire extinguishers in the kitchen and around the house. Depending on your home owner's insurance provider, having functioning fire extinguishers handy might lower your rates. It is also great to have one handy in the event of a fire. They could end up saving your life.

38. Install a sophisticated alarm system in your home, preferably one that is monitored by a reputable security company, or is linked directly to the local police station. Insurance companies reduce your yearly premium by up to 5% if you can prove by an invoice or contract that you have a centrally monitored security system installed.

39. Before you purchase a home, it's best to know what it is constructed from. Depending on what it is made of it can cost more to insure it. For instance, a home constructed mainly from wood is more costly and expensive to insure than a home constructed from brick or concrete.

40. Find a company that will give you multiple policy discounts. If you have your homeowners, auto, life and disability insurance all under one roof, so to speak, then you can often get a substantial discount on your rates. Ask your current company if this is an option for you.

41. When considering insurance for your home, be sure to sign up with a deal that has a guaranteed replacement value clause written into it. This will ensure that your house will be covered no matter what the cost of materials and labor currently are. This helps if you are in an area that has seen and will see an increase in construction costs and property value.

42. Putting an addition onto your home will increase your homeowner's insurance rates because there's now more home to insure. Minimize the increase by being smart with your building choices. If you can arrange for steel-framed construction, you may be able to pay less by choosing this less-flammable material. Consider the new roof's fire rating as well.

43. You can save thousands of dollars and years of payments by making your mortgage payment on a bi-weekly basis, instead of monthly. Ask your mortgage holder about setting you up on this payment program. Since there are 52 weeks in a year, you will end up making an additional couple of payments without breaking the bank or your budget.

44. Simply installing a fire alarm may decrease your payment by 10% per year. Smoke detectors and alarms make your home seem less risky to insure. Some insurance companies go as far as to giving out even more discounts to home owners who install several fire alarms.

45. Document all of your valuables and keep the pictures or videos of the things that you want covered under your home insurance, in a fireproof lockbox. This will protect your files and make filing a claim for the missing or destroyed items with your home insurance company, easier and quicker.

46. To make sure you're covered for the full value of any item you're insuring, have the item endorsed. Seek out an appraisal for the item from a professional, and have the contents of that appraisal added into your insurance contract. Knowing the precise value of your item will expedite the claims process and make sure your insurance company pays you back what you deserve.

47. If you have an older home, consider upgrading or modernizing heating and plumbing systems to decrease your home owner's insurance premiums. These improvements can reduce risk of electrical fire or water damage, making it possible to lower your insurance costs. At the same time, these improvements can make your home safer and increase the value of your property.

48. You can place one-twelfth of your premium into an escrow account each month through your mortgage payments. This means you will not have to scrounge around for money every month when the payment is due.

49. You should be sure the insurance company you choose to do business with is a reputable company with your best interests in mind. Check different unbiased websites to look at reviews on how claims are handled, the customer service you will receive and the promptness of the claims being paid out.

50. Review your homeowners insurance policy at least once every year to see if circumstantial changes could affect your premium. Lots of factors can affect your policy from getting rid of a particular breed of dog, a potentially dangerous trampoline, to the construction of a new fire hydrant near your house. Be sure to report these changes to your insurer to see if you qualify for discounts or adjustments to your policy.

51. To avoid potential problems when filing claims, be sure that all of your high value possessions are covered. Because of policy limits, some of the more expensive items you own may not have automatic coverage. You can ensure your valuables are taken care of by adding a specific endorsement to your insurance policy.

52. The best homeowner's insurance in the world may contain provisions that require you to keep your home in working order. You should scrutinize it to see how much regular maintenance you are required to do on your home in order to be sure that all contingencies are covered. Otherwise, you may end up having a coverage-related situation you weren't aware of, because the policy specified you needed to keep that particular part of your house in good working order in order to file a claim.

53. Regardless of maintenance, features of your home will determine how much you pay for insurance. If you have a swimming pool, you should expect your premiums to be more expensive because of risks the swimming pool represents. Circumstances beyond your control, such as how far your home is from a firehouse or fire hydrant can also raise your homeowner's insurance costs. You don't need to choose a home based on lower insurance costs, but be aware of factors that will impact the price you will pay.

54. To protect your personal property in a rented residence, you need renter's insurance. The landlord or property owner will have insurance to cover losses on the building, but not on the items inside your unit. This is your responsibility. Fortunately, renter's insurance is quite affordable, and available from most insurance companies and independent agents.

55. If you have any spare money in a savings account, use it to pay off your mortgage. When you own your home outright your annual home insurance premiums can drop

dramatically as insurance companies tend to assume that home-owner's are more likely to take care of and secure their property.

56. When it comes to homeowners insurance, make sure you update it if your life changes. If you go through a divorce, make sure the right people are on the policy. If you have built a playground or added something to your house, you will need to update that, too. Being current is what you need to be!

57. Be certain you have bought enough coverage for your home policy in case you need to replace your home. You don't want a disaster wrecking your home without proper coverage. The cost of materials to build is always changing, so make sure you consider this.

58. If you have your home paid off and don't have any liens on it, you may want to ask your insurance company if they offer a discount for that. If you are lucky enough to have your home paid off, you may receive a discount because of this if your insurance company offers it.

59. To ensure that you have the right coverage, look at the collectibles you own and assess their value. Over time, many items' values increase, and you have to increase the coverage on your policy in order to be certain your things have the right insurance.

60. Save receipts from any temporary repairs if you experience a claim event. Not all repairs can wait for your home owner's insurance company to review and rule on your claim, but if you pay out of pocket for temporary repairs and the claim is approved, the costs are usually reimbursed if you have appropriate documentation.

61. When dealing with the roof over your head, it is important to find the home owners insurance that best fits your style of living and needs. Some people may refer to well rounded home owner's insurance as excessive, however, everyone has heard the old saying "better safe than sorry!." It is important to take the time to know all of the nooks and crannies to your policy, don't rush into an inadequate policy.

62. Be aware that when your home has been damaged and is unlivable during repairs, you should be able to stay at a hotel with expenses paid by your insurance company. You are typically entitled to about 20% of the coverage of your home. But, if you choose to stay with a family member, you will not receive such payments.

63. Even if renter's insurance isn't mandated where you are living, it is highly recommended. You simply never know what is going to happen. Renter's insurance covers all your valuables in the case of some disaster like a fire or a flood.

64. Flood insurance is an extra insurance type that can truly help those who live in high risk areas. It may add a bit more to your total premium costs, but it can save you from losing everything in case of a flood. High risk areas are flood insurance musts to help you protect your investments.

65. Adding motion sensitive lighting to your property will get you a nice discount on your home insurance rates. You will be reducing the home's risk of burglary and it will in turn

reduce the amount of money that you have to pay for your home insurance premiums each year as well as increase the security of your home.

66. Making too many claims on your home owners policy can cause you to be ineligible for renewal. Chose the claims that you want to file carefully as it may cause you your policy if you file too many claims in a short period of time. If the cost of damages are close to the cost of your deductible, do not file the claim.

67. All apartments should be equipped with a smoke alarm or two. If your apartment does not have one, you can pick one up for very little money, and it will save you some money on your renter's insurance policy. It could save your life as well as saving you money.

68. Consider the idea of including personal bodily injury protection to your policy. You will be covered in case you get injured or someone gets injured in your home or if something gets damaged. For instance, if your kid damages your neighbor's home accidentally, the claim will be covered by your policy's liability coverage.

69. It could be worth using your savings to pay for minor damage repairs. Any type of claim with your home insurance company will increase your annual premiums. The increase could be more than what it would cost you to repair the damage yourself, so in order to protect your no-claims discount, consider not involving your home insurance provider when small amounts of damage occur to your home.

70. Make your annual homeowners insurance payments in one payment rather than on a monthly installment plan. Many insurance companies charge an administrative fee for monthly billing and payment. By paying the entire year's premium at once, you save yourself this additional expense. Some companies even offer additional discounts if you pay all premium at once.

71. When damage to your home occurs, take appropriate action to protect your property from additional damage until it can be repaired. For example, if your roof is damaged, be sure to cover the damaged area with a tarp or other protective covering to prevent water damage until the roof can be repaired.

72. To make sure that you are paying the lowest amount on your homeowner's insurance, compare the cost of your insurance policy to another company's policies at least once a year. You should also review your existing policy and mark any changes that may have occurred which could lower your premium.

73. To reduce the price of your home insurance, you need to decrease the risks of accident. You can start by buying fire proof furniture and materials. Install smoke detectors and fire extinguishers. Your insurance company will consider your home as safer, and in case of fire you should be able to contain the fire more easily.

74. Home owner's insurance can help to protect your home from a variety of issues. If there is damage that is done to your home, it can be covered and paid for using your insurance. This can include damage and lost property from theft or even some specified disasters. Every home owner should have a policy.

75. If you are nearing the age of 55, it's a good time for you to have your home insurance policy reviewed, or seek out a new carrier. Home owner's insurance often offer senior citizen discounts. Look around until you find a company that provides this discount.

76. When getting homeowners or renters insurance make sure you tell your insurance agent to add an addendum for flood and water damage. Most policies do not cover water damage unless it is added to the policy. Even if you don't live in a flood zone, your home can suffer water damage from extreme weather and after a fire.

77. If you have home insurance and also have a dog, make sure that you look for policy options that cover people who may be attacked by your dog. It's a strange and backwards world sometimes, but an intruder can actually sue you if your dog attacks him. Yeah, it's crazy, but that's why they have these coverage options.

78. Consider your insurance premiums when you add improvements to your existing home. In most cases wood structures are more expensive to insure as they are extremely flammable. Consider additions using concrete, brick or steel frames as their insurance premium is significantly lower. Other potentially dangerous improvements, such as swimming pools can increase your premiums significantly.

79. Keep a record somewhere outside the home, like a safe deposit box, of the belongings you have in case something happens. You can take pictures or video of your possessions. You should do this in case something happens to your home and you need your items replaced by the insurance company.

80. Consider the total cost before submitting a claim on your home owner's insurance policy to prevent premium increases. If the total cost for a claim is lower than your deductible amount, do not file the claim. At the same time, if the cost is not much over your deductible, you may want to reconsider filing a claim. Often, keeping a lower claim ratio on your policy, prevents rate increases over the long-term.

81. Make sure your home is well-maintained and safe to limit the likelihood of accidents or injuries that may result in home owner insurance claims. Many accidents are preventable and taking the time to perform maintenance activities can save you from expensive claims in the future. Reducing the likelihood of claims also means you reduce the likelihood of increasing premiums.

82. If your home's been rendered temporarily unlivable due to damage, homeowner's insurance will cover your living expenses during the time you are not able to reside in it. You will need at least 20% of the value of your home. However, if you go to stay with family members, you are not entitled to cost of living repayment.

83. Homeowners insurance is a very big necessity in life. Keep in mind that some mortgage companies will not even make the loan unless a person can provide proof of coverage for fair or full value of the home. It can be very expensive so be sure to research the different companies and compare their policies so that you can find the best rate and coverage.

84. When you reach the happy day on which your mortgage is finally paid off, be sure to take advantage of the insurance benefits. The premiums for homeowner's insurance are significantly lower for a house you own outright than for one you are still paying off. Insurance companies are betting, with good justification, that you will take better care of a home that is all yours.

85. When you are filing for fire insurance, make sure your policy covers damage sustained to cars during a fire. Many people do not do this and end up having to pay for car damages after a fire. If your car does happen to get damaged, make sure to put the type and amount of damages on your claim.

86. You can lower your annual premium by 5% or more with the simple installation of a monitored security alarm. Whether it is connected directly to your local police station or the security company, this type of alarm saves property and people and will also save you a lot of money. Look for promotions from the major alarm system companies or call them directly to possibly negotiate a good deal.

87. Review your discounts on your policy and make sure you are receiving all that you are eligible to receive. Many companies offer a variety of discounts for home features such as alarm or fire systems or even age-based discounts for older insurers. Take the time to go over your policy and discounts regularly to keep your premium as low as possible.

88. Be sure to purchase the type of homeowner's insurance that you need, the terms can sometimes be confusing. Replacement coverage actually provides funds to rebuild your home as well as its contents in the event of loss. An actual cash value policy will not cost as much, but pays only what your home is worth at the time of your loss less depreciation for age and ordinary wear and tear.

89. Your homeowner's insurance protects your largest asset. If you took out your policy more than 10 years ago, revisit the coverage amounts. The cost of building a new home when you signed up for your coverage may have been much less than it would be now. It's important to make sure that you would be protected at today's construction prices.

90. Ensure that your water pipes are properly insulated. A common claim against homeowner's policies involves pipes that have burst. This occurs during cold weather, so make sure they are insulated to save money. If you're leaving during the winter, you should have a friend check your home from time to time.

91. Have your financial house in order before you try and enter into a real estate transaction. Check your credit report and credit score from the three major credit bureaus. If there are any inaccuracies, you will want to have those fixed. Unexpected hiccups in your financing can derail a purchase you are about to make.

92. You can save a lot on premiums for homeowner's insurance. If you are thinking about doing construction, like an addition to your home, keep in mind that wood frames may cost less than steel or cement but the insurance could be higher.

93. If you own a very valuable object, you should consider getting insurance on it. Many insurance companies offer customized services and adapt to particular situations. You should get a professional to evaluate the value of your object; if your valuable possessions should be destroyed or damaged, the insurance would have to give you the equivalent of the estimated value.

94. To ensure the protection of major home improvement projects always report them to your homeowner's insurance company once they are completed. While this may result in a small premium increase, it is the only way to make sure that the added value of your home is covered in case of damage.

95. Make sure you have adequate additional living expense coverage on your home owner's policy in case you are unable to live in your home due to a claim. This coverage provides funds for temporary housing and expenses due to an insured property being uninhabitable because of a claim. These living expenses can mount quickly, so carrying enough coverage on your home owner's policy can save you expense and worry should a disaster occur.

96. Check the insurance cost for the area you plan on buying a home. Some places that are more prone to natural disasters have higher home insurance rates. Also the neighborhood you plan on buying a home in may affect the cost, as well as how far away the local fire department is.

97. Update your homeowner's policy with your insurance company if you make any changes to your home with the electrical wiring or plumbing. Making updates to your systems can save you money on your policy because it is considered safer to have newer systems rather than having older ones.

98. Home owner's insurance policies usually include a \$100,000 liability coverage. Talk to your insurance representative if you feel that the coverage in your specific neighborhood is not enough. Be familiar with this provision, as the policy may pay for certain injuries suffered as a result of damage to your property.

99. Check the provisions for "due diligence" on your homeowner's insurance policy. If you have neglected to keep up with regular home maintenance, your insurance policy may not cover the problems that result from that negligence. Check with your insurance agent about what types of documentation is required to prove you have been doing the maintenance.

100. What would you do if your home was destroyed in a natural disaster and needs to be rebuilt? If you purchased your homeowner's insurance years ago, the cost of construction and materials may have gone up. For this reason it is important to make sure you buy a Guaranteed Replacement Value Insurance premium which will guarantee that your home will be rebuilt regardless of the cost.

101. Added coverage can often be much less than you would anticipate. If you raise your liability coverage from say 300,000 to more like 500,000, the cost difference can often times be \$20.00 or less per month. Its a lot of extra protection for not a lot of money.

Special Bonus:

4. Sixty One Ways to Save Money

Here is a list of tips and ideas that will help you save money in various areas of your life:

Airline Fares

- 1.You may lower the price of a round trip air fare by as much as two-thirds by making certain your trip includes a Saturday evening stay over, and by purchasing the ticket in advance.
- 2.To make certain you have a cheap fare, even if you use a travel agent, contact all the airlines that fly where you want to go and ask what the lowest fare to your destination is.
- 3.Be flexible, if possible. Consider using low fare carriers or alternative airports and keep an eye out for fare wars.

Car Rental

- 1.Since car rental rates can vary greatly, shop around for the best basic rates. Ask about any additional charges (extra driver, gas, drop-off fees) and special offers.
- 2.Rental car companies offer various insurance and waiver options. Check with your automobile insurance agent and credit card company in advance to avoid duplicating any coverage you may already have.

New Cars

- 1.You can save thousands of dollars over the lifetime of a car by selecting a model that combines a low purchase price with low financing, insurance, gasoline, maintenance, and repair costs. Ask your local librarian for new car guides that contain this information.
- 2.Having selected a model, you can save hundreds of dollars by comparison shopping. Call at least five dealers for price quotes and let each know that you are calling others.
- 3.Remember there is no "cooling off" period on new car sales. Once you have signed a contract, you are obligated to buy the car.

Used Cars

- 1.Before buying any used car:
 - Compare the seller's asking price with the average retail price in a "bluebook" or other guide to car prices found at many libraries, banks, and credit unions.
 - Have a mechanic you trust check the car, especially if the car is sold "as is."

2. Consider purchasing a used car from an individual you know and trust. They are more likely than other sellers to charge a lower price and point out any problems with the car.

Auto Leasing

1. Don't decide to lease a car just because the payments are lower than on a traditional auto loan. The leasing payments may be lower because you don't own the car at the end of the lease.

2. Leasing a car is very complicated. When shopping, consider the price of the car (known as the capitalized cost), your trade-in allowance, any down payment, monthly payments, various fees (excess mileage, excess "wear and tear," end-of-lease), and the cost of buying the car at the end of the lease. *Keys to Vehicle Leasing: A Consumer Guide*, published by the Federal Reserve Board and Federal Trade Commission, is a valuable source of information about auto leasing.

Gasoline

1. You can save hundreds of dollars a year by comparing prices at different stations, pumping gas yourself, and using the lowest-octane called for in your owner's manual.

2. You can save up to \$100 a year on gas by keeping your engine tuned and your tires inflated to their proper pressure.

Car Repairs

1. Consumers lose billions of dollars each year on unneeded or poorly done car repairs. The most important step that you can take to save money on these repairs is to find a skilled, honest mechanic. Before you need repairs, look for a mechanic who:

- is certified and well established;
- has done good work for someone you know; and
- communicates well about repair options and costs.

Auto Insurance

1. You can save several hundred dollars a year by purchasing auto insurance from a licensed, low-price insurer. Call your state insurance department for a publication showing typical prices charged by different companies. Then call at least four of the lowest-priced, licensed insurers to learn what they would charge you for the same coverage.

2. Talk to your agent or insurer about raising your deductibles on collision and comprehensive coverages to at least \$500 or, if you have an old car, dropping these coverages altogether. Taking these steps can save you hundreds of dollars a year.

3. Make certain that your new policy is in effect before dropping your old one.

Homeowner/Renter Insurance

1. You can save several hundred dollars a year on homeowner insurance and up to \$50 a year on renter insurance by purchasing insurance from a low-price, licensed insurer. Ask your state insurance department for a publication showing typical prices charged by different licensed companies. Then call at least four of the lowest priced insurers to learn what they would charge you. If such a publication is not available, it is even more important to call at least four insurers for price quotes.

2. Make certain you purchase enough coverage to replace the house and its contents. "Replacement" on the house means rebuilding to its current condition.

3. Make certain your new policy is in effect before dropping your old one.

Life Insurance

1. If you want insurance protection only, and not a savings and investment product, buy a term life insurance policy.

2. If you want to buy a whole life, universal life, or other cash value policy, plan to hold it for at least 15 years. Canceling these policies after only a few years can more than double your life insurance costs.

3. Check your public library for information about the financial soundness of insurance companies and the prices they charge. The July 1998 issue of Consumer Reports is a valuable source of information about a number of insurers.

Checking

1. You can save more than \$100 a year in fees by selecting a checking account with a low (or no) minimum balance requirement that you can, and do, meet. Request a list of these and other fees that are charged on these accounts.

2. Banking institutions often will drop or lower checking fees if paychecks are directly deposited by your employer. Direct deposit offers the additional advantages of convenience, security, and immediate access to your money.

Savings and Investment Products

1. Before opening a savings or investment account with a bank or other financial institution, find out whether the account is insured by the federal government (FDIC or NCUA). An increasing number of products offered by these institutions, including mutual stock funds and annuities, are not insured.

2. To earn the highest return on savings (annual percentage yield) with little or no risk, consider certificates of deposit (CDs) and treasury bills or notes.

3. Once you select a type of savings or investment product, compare rates and fees offered by different institutions. These rates can vary a lot and, over time, can significantly affect interest earnings.

Credit Cards

1. You can save as much as a thousand dollars or more each year in lower credit card interest charges by paying off your entire bill each month.

2. If you are unable to pay off a large balance, pay as much as you can and switch to a credit card with a low annual percentage rate (APR). For a modest fee, RAM Research Corp. (800-344-7714) will send you a list of low-rate cards. You can obtain a list of low-rate cards by accessing "www.ramresearch.com.cardtrack" on the Internet.

3. You can reduce credit card fees, which may add up to more than \$100 a year, by getting rid of all but one or two cards, and by avoiding late payment and over-the-credit limit fees.

Auto Loans

1. If you have significant savings earning a low interest rate, consider making a large down payment or even paying for the car in cash. This could save you as much as several thousand dollars in finance charges.

2. You can save as much as hundreds of dollars in finance charges by shopping for the cheapest loan. Contact several banks, your credit union, and the auto manufacturer's own finance company.

First Mortgage Loans

1. Although your monthly payment may be higher, you can save tens of thousands of dollars in interest charges by shopping for the shortest-term mortgage you can afford. On a \$100,000 fixed-rate loan at 8% annual percentage rate (APR), for example, you will pay \$90,000 less in interest on a 15-year mortgage than on a 30-year mortgage.

2. You can save thousands of dollars in interest charges by shopping for the lowest-rate mortgage with the fewest points. On a 15-year, \$100,000 fixed-rate mortgage, just lowering the APR from 8.5% to 8.0% can save you more than \$5,000 in interest charges. On this mortgage, paying two points instead of three would save you an additional \$1,000.

3. If your local newspaper does not periodically run mortgage rate surveys, call at least six lenders for information about their rates (APRs), points, and fees. Then ask an accountant to compute precisely how much each mortgage option will cost and its tax implications.

4. Be aware that the interest rate on most adjustable rate mortgage loans (ARMs) can vary a great deal over the lifetime of the mortgage. An increase of several percentage points might raise payments by hundreds of dollars per month.

Mortgage Refinancing

1. Consider refinancing your mortgage if you can get a rate that is at least one percentage point lower than your existing mortgage rate and plan to keep the new mortgage for several years or more. Ask an accountant to calculate precisely how much

your new mortgage (including up-front fees) will cost and whether, in the long run, it will cost less than your current mortgage.

Home Equity Loans

1. Be cautious in taking out home equity loans. These loans reduce the equity that you have built up in your home. If you are unable to make payments, you could lose your home.
2. Compare home equity loans offered by at least four banking institutions. In comparing these loans, consider not only the annual percentage rate (APR) but also points, closing costs, other fees, and the index for any variable rate changes.

Home Purchase

1. You can often negotiate a lower sale price by employing a buyer broker who works for you not the seller. If the buyer broker or the broker's firm also lists properties, there may be a conflict of interest, so ask them to tell you if they are showing you a property that they have listed.
2. Do not purchase any house until it has been examined by a home inspector that you selected.

Renting a Place to Live

1. Do not limit your rental housing search to classified ads or referrals from friends and acquaintances. Select buildings where you would like to live and contact their building manager or owner to see if anything is available.
2. Remember that signing a lease probably obligates you to make all monthly payments for the term of the agreement.

Home Improvement

1. Home repairs often cost thousands of dollars and are the subject of frequent complaints. Select from among several well established, licensed contractors who have submitted written, fixed-price bids for the work.
2. Do not sign any contract that requires full payment before satisfactory completion of the work.

Major Appliances

1. Consult Consumer Reports, available in most public libraries, for information about specific brands and how to evaluate them, including energy use. There are often great price and quality differences among brands.
2. Once you've selected a brand, check the phone book to learn what stores carry this brand, then call at least four of these stores for the prices of specific models. After each store has given you a quote, ask if that's the lowest price they can offer you. This comparison shopping can save you as much as \$100 or more.

Electricity

- 1.To save as much as hundreds of dollars a year on electricity, make certain that any new appliances you purchase, especially air conditioners and furnaces, are energy-efficient. Information on the energy efficiency of major appliances is found on Energy Guide Labels required by federal law.
- 2.Enrolling in load management programs and off-hour rate programs offered by your electric utility may save you up to \$100 a year in electricity costs. Call your electric utility for information about these cost-saving programs.

Home Heating

- 1.A home energy audit can identify ways to save up to hundreds of dollars a year on home heating (and air conditioning). Ask your electric or gas utility if they can do this audit for free or for a reasonable charge. If they cannot, ask them to refer you to a qualified professional.

Local Telephone Service

- 1.Check with your phone company to see whether a flat rate or measured service plan will save you the most money.
- 2.You will usually save money by buying your phones instead of leasing them.
- 3.Check your local phone bill to see if you have optional services that you don't really need or use. Each option you drop could save you \$40 or more each year.

Long Distance Telephone Service

- 1.Long distance calls made during evenings, at night, or on weekends can cost significantly less than weekday calls.
- 2.If you make more than a few long distance calls each month, consider subscribing to a calling plan. Call several long distance companies to see which one has the least expensive plan for the calls you make.
- 3.Whenever possible, dial your long distance calls directly. Using the operator to complete a call can cost you an extra \$6.

Food Purchased at Markets

- 1.You can save hundreds of dollars a year by shopping at the lower-priced food stores. Convenience stores often charge the highest prices.
- 2.You will spend less on food if you shop with a list.
- 3.You can save hundreds of dollars a year by comparing price-per-ounce or other unit prices on shelf labels. Stock up on those items with low per-unit costs.

Prescription Drugs

1. Since brand name drugs are usually much more expensive than their generic equivalents, ask your physician and pharmacist for generic drugs whenever appropriate.
2. Since pharmacies may charge widely different prices for the same medicine, call several. When taking a drug for a long time, also consider calling mail-order pharmacies, which often charge lower prices.

Funeral Arrangements

1. Make your wishes known about your funeral, memorial, or burial arrangements in writing. Be cautious about prepaying because there may be risks involved.
2. For information about the least costly options, which could save you several thousand dollars, contact a local memorial society, which is usually listed in the Yellow Pages under funeral services.
3. Before selecting a funeral home, call several and ask for prices of specific goods and services, or visit them to obtain an itemized price list. You are entitled to this information by law and, by using it to comparison shop, you can save hundreds of dollars.

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