



Renee Hirl's 10 Ways to Lower Home Insurance Costs

1. Raise your deductible.

Deductibles are the amount of money you have to pay toward a loss before your policy coverage begins. Deductibles on homeowners policies typically start at \$500. By increasing your deductible to \$1,000, you could save up to 24 percent; \$2,500, up to 30 percent; and \$5,000, up to 37 percent, depending, of course, on your insurance company.

2. Buy your home and auto policies from Pike Insurance –Consolidate, Simplify, Save.

The insurance carriers we use will take 5 to 15 percent off your premium if you buy two or more policies from us. This can amount to great savings in your insurance program!

3. Beef up your home security.

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 station or other monitoring facility. These systems aren't cheap and not every system qualifies for the discount. Before you buy such a system, consult your agent to find out all of your options.

4. Stop smoking.

Smoking accounts for more than 23,000 residential fires a year. That's why some insurers offer to reduce premiums if all the residents in a house don't smoke.

5. Take advantage of group discounts

We have additional discounts with MSCPA and AAA that we can apply to our clients' automobile policies. These group discounts can add up to big savings!

6. Insure your house, not the land.

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'll pay a higher premium than you should. Some mortgage companies try to make you carry insurance for the market value of the home which includes the land. For example, an insured has 2 acres in Nantucket with a small two bedroom cottage. The market value of the property is close to \$1.5 million, but the rebuilding cost for the cottage to be replaced is \$300,000, therefore the insurance would be written for \$300,000 worth of coverage.

7. When you buy a home...

Consider how much insuring it will cost. Because a new home's electrical, heating and plumbing systems and overall structure are likely to be in better shape than those of an older house, insurers may offer you a discount of 8 to 15 percent if your house is newer.

Avoiding areas that are prone to floods can save you \$1000 or more a year for flood insurance. Homeowners insurance does not cover flood-related damage. If you do buy a house in a flood-prone area, the bank or mortgage company may require you to buy a flood insurance policy. We can provide you with the appropriate flood coverage.

8. Once you are over the age of 55...

In general, people over the age of 55, stay at home more and spot fires sooner than working people. Retired people have more time for maintaining their homes, too. If you're at least 55 years old, you may qualify for a discount of up to 10 percent at some companies.

9. If you're in a government plan (like Mass Fair Plan)...

If you have been buying your homeowners insurance through a government plan, you should check with us and 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.

10. Stay loyal to your insurer.

If you've kept your coverage with a company for several years, you may receive special consideration. Several 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.