

TIPS TO KEEP HOME INSURANCE RATES FROM GOING UP

By Basil Housewright

If you are facing large premium increases or non-renewal from your homeowners insurance company we would like to offer these tips for homeowners concerned about their coverage in the tightening insurance market. Monitor your claim activity and be conscious and cautious and consult your insurance agent before filing smaller claims. Make sure you get an estimate of how much the actual damage is going to cost to repair before filing a claim if the damage is minor. If the estimate is less than your deductible do not file a claim as the policy will not pay you any benefit for damages less than your policy deductible. Insurance companies track how many and what type of claims you file. Frequent claim activity, no matter how small, can be grounds for large rate increases and non-renewal. If your claim exceeds your deductible by a few hundred dollars or less, consider withholding the claim and paying for the loss out of your own pocket. The out-of-pocket expense to pay the loss will probably be less than the premium increase you likely will pay later if you file a claim. It also keeps your claim record clean and allows you to stay insured for major or catastrophic losses. If you have claims filed on your record the claims report the insurance companies have access to will take these into consideration for up to 5 years. Your claims history can make you ineligible for another insurance company, which might have better rates to offer.

Home improvements to older homes help. Your home's wiring, plumbing, heating and roofing should be in good repair at all times. At least twice a year, walk through your home, including your attic and inspect it for developing problems. Older houses with antiquated systems should be modernized and updated. Your insurance company has the right to inspect your property. Most inspections are of the exterior of your home but if your home is older than 30 or 40 years many will also inspect the interior paying close attention to your plumbing and electrical systems and appliances. It can require repairs for continuity of coverage or decide against renewing coverage on a house considered hazardous. These fixes initially may seem costly, but can be dangerous and ultimately more expensive if ignored.

If you are shopping for a new home, learn about the house's claim history before you buy it. Ask for a seller's disclosure report, which can be obtained from your real estate agent or the seller's agent. Insurance companies will be wary of a home with previous multiple structural or water-damage claims. It can work against you, even if you were not the owner of the home at the time. Consult a local independent insurance agency. Working closely with a local independent insurance agency may be the easiest way to stay insured affordably. These agents are your advocates when you have a claim or other problem since they are not tied closely or exclusively with just one company. They have relationships with many different companies and can shop around for the right coverage for you at the best value. The good counsel of a local independent insurance agent may be your best protection in the current homeowners insurance market. Granted, there is no full-proof way for homeowners to avoid a rate increase or being non-renewed by their insurance company, but heeding these precautions can help you become a more valuable policyholder. Local independent insurance agents are the ultimate advocates for homeowners because they provide important consumer benefits that can help individuals stay insured. They can shop your needs around to different companies and take you through the process step-by-step to find you the best value and protection. They also are on your side when a claim or other problem arises. Always consult your local independent insurance agent before filing a claim and when you are shopping for new insurance coverage.

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