



The price you pay for your homeowners insurance can vary by **hundreds of dollars**, depending on a number of factors, including the company you buy your policy from.

Here are 10 STEPS you can take to help **SAVE MONEY** on your **HOMEOWNERS INSURANCE**.



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## SHOP AROUND

It'll take some time, but could save you a good sum of money. Ask your friends, check the Yellow Pages or call your state insurance department. You can also access insurance information for your state on the Internet at <http://www.naic.org/1regulator/usamap.htm>. States often make information available on typical rates charged by major insurers and many states provide the frequency of consumer complaints by company.

Also check consumer guides, insurance agents, companies and online insurance quote services. This will give you an idea of price ranges and tell you which companies have the lowest prices. But don't consider price alone. The insurer you select should offer a fair price and deliver the quality service you would expect if you needed assistance in filing a claim. So talk to a number of insurers to get a feeling for the type of service they give. Ask them what they can do to lower your costs. Check the financial ratings of the companies with AM Best or Standard and Poor's.

## 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.

## BUY YOUR HOME & 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.

## 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.

## 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.

## 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.

## 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. That's why you should ask your agent or company representative about any discounts available to you. For example, since retired people stay at home more than working people, they are less likely to be burglarized and may spot fires sooner. 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.

## SEE IF YOU CAN GET GROUP COVERAGE

If your employer administers a group insurance program, check to see if a homeowners policy is available and is a better deal than you can find elsewhere. In addition, professional, alumni and business groups often work out an insurance package with an insurance company, which includes a discount for association members. Ask your association's director if an insurer is offering a discount on homeowners insurance to you and your fellow graduates or colleagues.

## 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.

## 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) and pocket the difference.

