

What you pay for homeowners insurance depends on age, location, type of residence, proximity to a fire department, the deductible amount and scope of coverage. Here are some tips to help loosen the squeeze on your wallet while still receiving the best coverage to meet your needs.

WITHOUT LOWERING YOUR COVERAGE

- Check out online resources. Go to the Department of Insurance website for your state to make an educated comparison of various insurance companies.
- Compare quotes from at least three different insurance companies to determine which one has the best coverage and premium.
- · Consider using one insurer for all your needs. Some companies offer a multiple policy discount if you buy auto, life and health insurance policies from them as well.
- Consider a higher deductible. Increasing your deductible by just a few hundred dollars can make a big difference in your premium.
- Check for government-backed rates. Some areas at high risk for natural disasters offer government-backed loans with lower rates.
- Check to see if you belong to any groups or organizations that can get you a lower rate. Common examples include alumni associations and service clubs.

Know Your Options

Homeowners insurance comes in several different forms, depending on the type of residence you occupy. Here are the six standard policies to choose from.

HO-1 is very basic coverage, insuring against fire or lightning damage.

HO-2 is called "broad coverage" and includes everything in HO-1 as well as building collapse, falling objects, weight of snow, ice or sleet, rupture or bursting of steam or hot water heating systems and freezing of or accidental discharge of water or steam from within plumbing, heating or air-conditioning.

HO-3 is referred to as the "special" coverage and is the policy most homeowners purchase; this policy insures your home and detached structures against loss or damage from any peril except for those specifically excluded in the policy.

HO-4 is a tenant's policy that insures your household contents and personal belongings against the perils covered in the HO-2 policy, as well as additional living expenses, medical payments and liability protection.

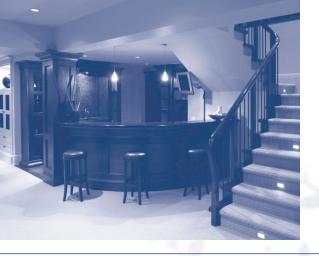
HO-6 covers a condominium unit-owner who wishes to insure items not covered by the association policy, as well as the personal property inside the unit and personal liability protection.

HO-8 is the "older home" policy. Having an older home may preclude you from being able to buy a standard policy; you may have to buy a modified policy instead. This means that the policy will pay for today's standard building materials and processes to replace older period materials that are often found in older homes.

Don't be afraid to ask questions to ensure that you get the right policy at the best price.

According to the Consumer Product Safety Commission, cooking equipment alone accounts for 36.3% of the total residential fires incurred.

Cause of Loss	Percentage of incurred loss including catastrophes		
PROPERTY PERIL			
Fire	33.1%		
Lightning	2.0%		
Wind	18.3%		
Hail	11.6%		
Water damage	14.3%		
Freezing	2.0%		
Theft	3.6%		
Other property losses	9.6%		
Property total	94.5%		
LIABILITY CLAIM			
Bodily injury	2.7%		
Property damage	1.1%		
Medical payments	0.2%		
Other liability losses	1.6%		
LIABILITY TOTAL	5.5%		



Covered?

Make Sure You Are. Create a Home Inventory.

Having a home inventory now can save you time and effort in the future. A detailed list of your home's contents will ensure your homeowners insurance will cover these items should you need to file a claim. Use these tips to make the most of your efforts.

Everything Counts

Include any item of value, not just large appliances and electronics. Don't forget to document toys, the contents of your closets and anything in your kitchen cabinets.

Get Organized

Record serial numbers and keep all your receipts in a specific place. Insurance claims are processed more quickly and are more likely to receive full compensation when they are supported with visual evidence of ownership.

Schedule a Photo Shoot

In addition to making a list of items, take pictures of rooms and large or important items. On the back of each photo, make a note of what is shown, its value, make and any serial numbers or special identifiers.

Consider Extra Coverage

If you have special items such as expensive jewelry, fine art or rare antique collections, you may wish to purchase extra coverage—called an endorsement—to protect those items.

Move It

Conduct a home inventory when you move. As you pack your items for each room, take photographs and note the serial numbers. This way, you will have detailed information in case something is lost or damaged during the move.

Keep Duplicates

Make a copy of your inventory to keep in a fire-proof safe at home, but most importantly, keep another copy in a safe-deposit box, at your office or any safe location away from your home.

Create a Digital Inventory

There are a variety of software packages available online with home inventory features. One popular program offers all the necessary tools you need to help you create a home inventory—and you can access it from anywhere in the world!

Know Your Stuff TM www.knowyourstuff.org

Get started today. Make a copy of the worksheet below for each room of your house, including your garage, attic, outdoor shed and any off-site storage facilities that you rent. Make a list of your possessions, briefly describing each item, its make, model and cost. Don't be daunted by accumulated items—a partial inventory is better than nothing. Update your inventory annually, as well as each time you make a major purchase.

ITEM	MANUFACTURER OR BRAND NAME	SERIAL NUMBER	METHOD OF ACQUISITION	DATE PURCHASED	PRICE/ APPROX. VALUE