

# WHAT POLICYHOLDERS NEED TO KNOW ABOUT HOME & AUTO INSURANCE

FROM AN INDEPENDENT INSURANCE AGENT

We know that navigating the ins and outs of insurance can be confusing. We are here to help you understand the factors that influence the cost of your insurance and where you can have an impact. We hope this information helps you to make more strategic insurance decisions.

## HOME CONDITION

- It is the responsibility of every homeowner to properly maintain their property. This includes: roofs, over-hanging trees, over-grown landscaping, handrails, decking, siding, gutters and their connections, etc.
- Carriers have the right to deny a quote or coverage if they have concerns about a maintenance condition.
- When buying a home, MAKE SURE to have an inspection so you know what you are buying.
- Don't assume your current carrier will insure a new property purchase - check first.

## CLAIMS COUNT

- Frequency of claims (number in the past 5-6 years) impacts your rate and an underwriter's willingness to approve a quote or policy.
- Zero-paid claims also impact an underwriter's decision to provide new coverage.
- It is best to not turn in claims that are under or even slightly over your deductible. Save claims for the big events that occur.
- Work with a professional contractor to provide an estimate for home damages.
- Talk to your independent agent for advice if you have a potential claim.

## ROOF AGE

- Some carriers are only willing to insure a home that has a roof that is less than 10-15 years old.
- Carriers surcharge your premium based on the age of the roof.
- If you have replaced your roof, you should tell your insurance agent for a potential discount to your policy.
- Some carriers use Google Earth to get a live/recent view of your roof and other parts of your property. If they don't like what they see, they can non-renew or cancel newly issued policies immediately.

## INSURANCE HISTORY

- Each carrier looks at the amount of time you were with your previous carrier and past liability limits. It can give you additional credits towards your rate.
- All insurance carriers have their own system to determine your risk profile. This affects how much your coverage will cost.
- Certain things in your insurance history can have a negative impact on your risk profile, and can cause your premium to increase. Some examples are home and auto claims, speeding tickets, and auto crashes.



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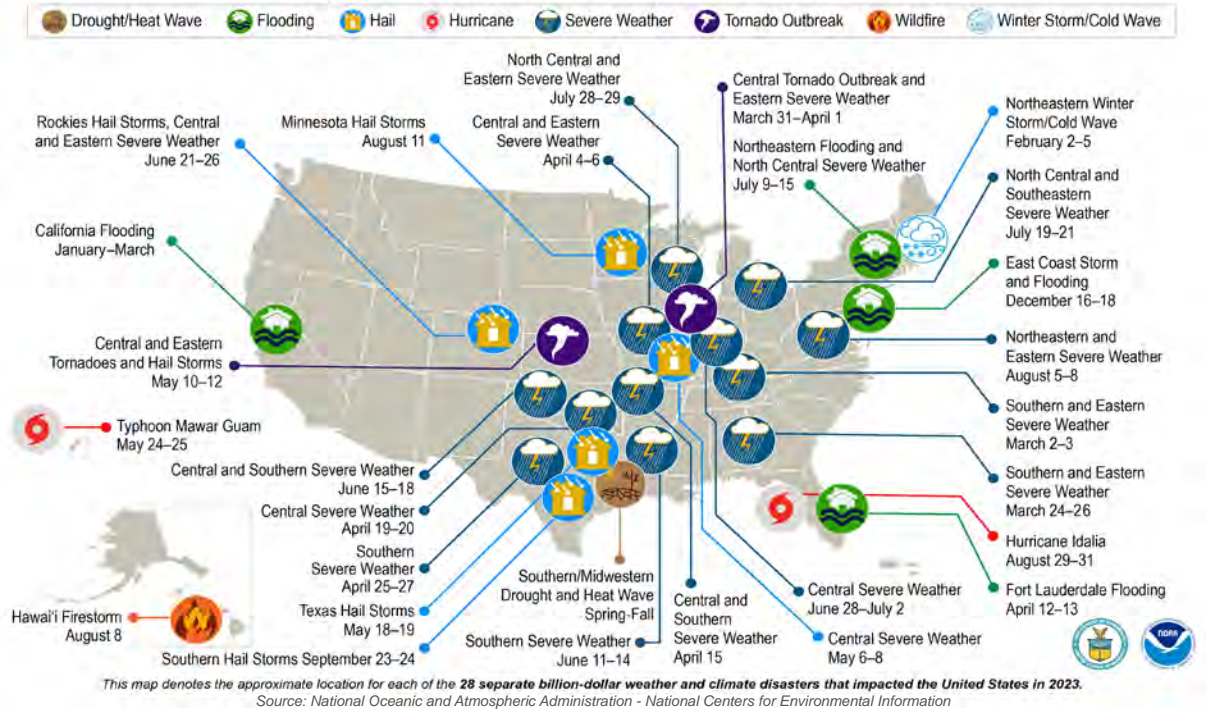
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# CURRENT UNDERWRITING TRENDS IN THE INDUSTRY

## THIS IS AN UNPRECEDENTED TIME WITH DOUBLE-DIGIT RATE INCREASES COMING FROM ALL CARRIERS.

Many factors go into this. All rates have to be approved by the state's insurance department. Carriers are asking for higher rates more frequently due to the amount of claims across the country and the increase in severe weather.

### U.S. 2023 Billion-Dollar Weather and Climate Disasters



## WE ARE SEEING NEW WIND/HAIL DEDUCTIBLES OR AUTOMATIC INCREASES.

Previously, most carriers looked at a wind/hail event as a covered loss where your homeowner's deductible would apply. Recently this has changed, and some carriers have a separate wind/hail deductible. Some increases are 1% of your dwelling amount (or more), and sometimes this is being done without your knowledge. Make sure to read over your policy and renewal documents carefully.

## IT'S NOT ALWAYS BEST TO SWITCH CARRIERS TO SAVE A BUCK IN THE SHORT TERM.

We know everyone's budgets are tight, and finances are being affected by the current economic climate. Switching carriers too frequently can have a negative impact and affect how much your insurance costs, similar to when you close a credit card and your average age of credit decreases.

*Talk to your agent to review your policies and explore ways to reduce your premiums. There are credits that could apply, or you could take a higher deductible. Most carriers appreciate clients having more skin in the game.*

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