

## How to Lower your Home or Condo Insurance Costs and Premiums

By David Degen

Various global environmental factors have caused insurance rates in Florida to skyrocket. After many anticipated hurricanes and severe storms passed, Florida legislation enacted insurance rate reductions in attempting to make condo and home insurances once again a reality for owners to afford. Several factors were also pointed out to help owners decrease the costs of insurance by improving or providing proof of structural strength and quality of their dwellings, condos, and other properties.

### Reducing Costs

Several factors are involved in reducing costs.

#### 1. Have your agent properly estimate the full replacement value of your home.

Unlike condo's your home must be insured at 100% replacement value of the dwelling structure. Many owners are confusing replacement costs with market value or taxable value or appraisals. Most homeowner insurance companies offer their agents software tools to help estimate the true dwelling replacement costs. An agent may ask you for specific details about your home such as, the square footage, year built, number of bathrooms etc. This information is vital to determine replacement costs of your home. Improper information provided to the insurance carrier may become problematic when it comes time for the carrier to pay a claim. In other words if you have a fire in your home which has a replacement value of \$100,000. But your insured value is \$50,000 on the home. After investigating your claim the insurance carrier would penalize you for not maintain full replacement value and may only agree to pay you 50% of your claim as you failed to maintain the required 100% replacement value. Many times the savings off the premium is not a savings in the end. With condominiums this factor will not apply and you are not required to insure at full replacement value due to your condo carries a master policy which requires the 100% replacement cost.

#### 2. Apply construction or modification credits

With homeowners policies insurance companies are required to provide discounts for certain construction features. You should review your policy to make sure you have been provided with such discounts which may severely affect your premium payments.

Such discounts include the year your home was built. For example, in Broward or Dade county if built 1996 or later are eligible for Opening Protection Class C credit.

Structures built on or after January 1, 2002, are eligible for the minimum FBC(Florida Bldg Code) 2001 credit, Type II and Type III structures built 2002 or later (Dade and Broward County ONLY): are eligible for Opening Protection Class A credit.

These are the easy credits, then there are credits for the type of roof shape you have. Gable roof and HIP roof which provides the maximum discount. Inside the way the roof is attached are tie downs or wraps, other discounts may apply are type of Roof Covering, Roof Deck Attachment, Roof-Wall Connection, Opening Protection, Secondary Water Resistance.

I see many home owners that own older homes feel they are not entitled to these discounts. But fail to realize when the replace a roof in many cases the roof may be updated to new building code requirements and allows home owners to take advantage of the insurance discounts where they could not before.

And last but not least there are window shutters which many people spend money on but are not receiving discounts for. With a condo you may be qualified for the shutters discount or covering protection, sprinklers inside your apartment and of course a central monitoring burglar and or fire alarm.

With all of these discounts available the insurance costs could be reduced as much as 70%, many times these discounts need to be obtained with the help of independent insurance inspection companies hired by the homeowners.

Your insurance agent should be able to help with much of this information and assist you in lowering your premiums as their duty and service to their clients. For more information see: <http://www.FLCondoInsurance.com> or <http://www.FLHomeInsuranceS.com>.

#### 3. Shopping Around

Many times loyal homeowners will stay with an insurance carrier for years because of the convenience of having one insurance company or agency which handles the owners financial needs. It is often an inconvenience and may require some effort to shop around before you renew your policy. You should start shopping no earlier than 2 months prior to your renewal. Florida does not offer many providers for property insurance but does provide many insurance agents. Locating the right agent who will work diligently to help you achieve and educate you how to lower your insurance costs is the key.

Many agencies acquiring hundreds of clients after some years are overloaded with work and may not be able to provide the service homeowners expect. Locating an agent which will be there for you is part of the process of shopping around. Testing their service before hiring an agent is key. See how an agent responds to your inquires. The speediness of the response shows the willingness to take you as a client and be there for you when needed. How fast they respond to your emails or phone messages, assuming its not a holiday or they are not on vacation if they respond after 3 business days or more this should be an instant sign to look elsewhere as they are too busy and are overloaded with work. if you locate a good agency and a good insurance rate for your home or condo, don't be afraid to split up your business and give the new agency the business while still maintaining your other insurance like your automobile with your current agency.

And finally keep in mind there are discounts for new purchase's of condo's or homes and for carrying previous insurance. Many companies may offer other types of discounts such as non-smoker or retired. Again check with your agent on these various credits you may be entitled to.

For more information on condo, home, flood, and other types of insurances please visit:

<http://www.FLHomeInsuranceS.com> or <http://www.FLCondoInsurance.com> or <http://www.FloridaFloodInsuranceS.com>