



## Reducing Your Homeowners Insurance Costs

Insurance companies determine risk for homeowners insurance by weighing factors such as the type of home (some newer homes have safer materials) and the area in which a home is located, to name a few. Read the following information to learn more about factors that affect your homeowners insurance costs.

### Money saving discounts

Insurance companies often offer a number of special credits to help cut the cost of insurance because their customers have done something to reduce their risk. In some cases, these credits are a way to reward valuable customers for their loyalty and continued business.

These credits are described in general terms. You might want to check with an independent agent or a Travelers of New Jersey representative to find out the specific details of credits that your insurer offers.

- **Homeowners association credit:** Homes located in eligible homeowners associations may qualify for a credit. This is because homeowners in an association are likely to have a stronger sense of community and tend to watch out for one another. That means you've lowered your risk.
- **Multi-policy credit:** You can save money if you have more than one type of policy with the same insurance company (for example, an auto and homeowners policy). The more good business you give the company, the more valuable you are as a customer.
- **Newer home credit:** The age of your home may qualify you for savings because plumbing, heating, and electrical systems of newer homes have lower risks than outdated systems.
- **Protective device credit:** If your home has certain types of fire alarms, burglar alarms, locks, or smoke detectors, you've reduced your risk and may qualify for this credit.
- **Renewal or long-term customer credits:** You could get credit when you renew your policy, beginning with the first renewal or after you've been a policyholder for a designated number of years. (It's the good customer thing again!)

### Deductibles

Ordinarily, the deductible amount (what you pay out of your own pocket before your insurance policy kicks in) on a homeowners policy is \$250. By choosing a higher deductible (\$500, \$750, \$1,000 or higher), you'll have lower annual premium payments.

### Have you insured your land?

Sometimes the value of your land is incorrectly included as part of your dwelling coverage (also called Coverage A). Since homeowners policies don't provide protection for your land, it would be a waste of money to include its value as part of your Coverage A amount. Your Coverage A amount should only reflect the price it would cost to repair or replace your home's structure. If you aren't sure whether your land is also included, contact your agent or Travelers of New Jersey representative to review your policy.

**Renovating? Building? Buying a new home?** Certain building materials may cost less to insure or may qualify you for discounts. And choosing brick construction over a wooden frame structure -- or vice versa -- can make a difference if you live in areas where earthquakes or hurricanes frequently occur. Additionally, upgrading your electrical, plumbing, and heating systems could mean savings. Talk to a builder, your insurance agent or your Travelers of New Jersey representative.

### Where do you live?

If you live near your local fire department in a safe, quiet, easily accessible neighborhood, your homeowners rates might be lower than if your home is located 'off the beaten path.' Your home may cost more to insure if you are many miles from the nearest fire department.

**Re-evaluate your valuables**

If you bought additional insurance coverage for your valuable items, keep an eye on their value and adjust your coverage amount appropriately. Otherwise, some items that have decreased in value may be over insured.

**Sponsored programs**

A number of companies, credit unions and associations make auto insurance available to their employees or members through Travelers of New Jersey. The special program rates reflect the administrative savings Travelers of New Jersey passes on to members of a large group. Credit union and association members can pay their premiums through small, regular deductions from their checking or savings account. Employees can have their premiums automatically deducted from their paycheck. Check with your employer, credit union or association to find out if they enhance their benefits by sponsoring this type of insurance program offered by Travelers of New Jersey.

**Fraud**

Did you know that fraud costs you about ten cents for every dollar you spend on insurance? Think about this: If you own a home and two cars and pay \$1,800 for insurance each year, you'll have spent \$900 on fraud in just five years. So, ask your state legislators to make the fight against insurance fraud one of their priorities. Report insurance fraud to your insurance agent, Travelers of New Jersey representative or local police when you see or suspect it. Speak out against insurance fraud to your friends, family, and business associates. After all, it's not just the big insurance companies that pay. All those costs eventually filter down to you.