

## OII TIP GUIDE TO: Saving on Auto & Homeowners Insurance

### AUTO

There are ways to save on your auto insurance premium without compromising your insurance needs, including:

- **Comparison shop.** Check with several insurance companies and agents. Service, claims handling and company stability should be major considerations. Ask questions regarding the claims handling process; how long they've been in business and the company's financial stability or rating. For more, see OII's [guide to rating services](#). Ask family and friends for recommended insurance carriers and check reviews online.
- **Raise your deductibles.** You can reduce your premiums if you shoulder the smaller losses. Increasing deductibles from \$250 to \$500 could reduce your collision and comprehensive premiums by 15–30%. A \$1,000 deductible can save you even more. Note: Should you file a claim, you will be responsible for covering your deductible.
- **Choose the right car.** Before buying a car, compare insurance premiums of similar makes and models. Premiums are usually higher for luxury, sport and four-wheel drive models because of repair costs and auto theft experience. Characteristics such as vehicle size, weight and body type (two-door vs. four, convertible, etc.) also factor into determining premiums. For more, see the Insurance Institute for Highway Safety/Highway Loss Data Institute [insurance loss ratings by make and model](#).
- **See the Ohio Department of Insurance [Shopper's Guide to Auto Insurance](#)** for a general overview of auto insurance in Ohio, coverage and related laws.
- **Eliminate collision and comprehensive coverages on older cars with significant depreciation.** A general rule is to consider eliminating these coverages if your car is worth less than one-tenth of your annual premium. It may cost more to insure it than its value. Check your vehicle's value through an auto dealer, bank or an online service such as [Kelley Blue Book](#), [Edmunds](#) or [NADA Guides](#). Be sure to maintain auto liability coverage and protection from uninsured drivers.
- **Ask about discounts.** Many companies offer a multiple-car discount or one for carrying homeowners or another type of insurance with them. Some provide good student discounts or a credit if a young driver is away at school more than 100 miles, with or without a car. There's also a discount for certain types of defensive driver courses. See a list of [state-approved programs](#) and some of the [auto insurance discounts](#) that may be available to you.
- **Eliminate duplication of coverages.** If your car manufacturer provides

roadside assistance and you opt for towing coverage through your policy, it may be a duplication in coverage.

- **Reduce your daily driving.** The more you drive, the more likely you are to be involved in a crash—and the more you'll pay for insurance. Some insurers offer discounts for driving fewer than a predetermined number of miles annually.
- **Drive defensively.** An at-fault accident or major traffic violation can affect future premiums. In some cases it can place you in a high-risk category. Some companies reward policyholders for remaining accident-free for a certain period of time.
- **Double-check how and where you park.** Often the cost of vandalism and auto theft is overlooked.
- **Avoid filing excessive or fraudulent claims.** On average, you can expect an auto claim every 11–12 years, according to the Insurance Information Institute. The more claims you file, especially minor ones, the higher the likelihood that future premiums will reflect this. Padding claims also affects premiums.
- **Keep tabs on your credit.** An insurance score is a snapshot of your insurance risk based on information in your credit report. It reflects your credit payment patterns over time, with more emphasis on recent information. Many companies take insurance scores into account when assessing a potential auto insurance risk.

Federal law allows you to receive a free credit report every 12 months from each credit reporting company (TransUnion, Experian and Equifax). Reports can be accessed three ways:

- **Online:** [Annual Credit Report](#)
- **Phone:** 877.322.8228
- **Mail:**  
Annual Credit Report Request Service  
P.O. Box 105281  
Atlanta, GA 30348-5281

## HOMEOWNERS

Measures to help keep your homeowners insurance premiums more affordable include:

- **Shop around.** Contact several insurance companies and agencies to discuss coverage, costs, claims handling and service. Check company financial ratings for stability. Ask others for recommendations and check online reviews of potential insurers.
- **Protect your home against typical perils.** Routine maintenance helps prevent claims, a leading cause of premium increases. These include:
  - Keep fire extinguishers in fire-prone areas such as the kitchen and laundry.

- Update plumbing, heating and electrical services to reduce the risk of fire and water damage.
- Regularly check your roof, down spouts and pipes for clogs or leaks.
- Discourage crime by using exterior lights at night and deadbolt locks.
- Repair loose railings, steps or walks.
- **Raise your deductible.** By raising your deductible, you're responsible for smaller losses, lowering your premium and chances for frequent claims. Consider at least a \$500 deductible. A \$1,000 deductible will save you even more.
- **Ask about discounts.** Some companies provide discounts for new construction, since newer homes are built to updated codes. Some insurers offer discounts for monitored home security systems. If you've had your home insured with the same company or agency for several years, you may also be eligible for an additional discount. See our guide to [homeowners insurance discounts](#) that may be available to you.
- **Review policy annually.** Update your coverage based on major purchases or recent home improvements. Double-check how far your home is from a water source such as a fire hydrant as well as the location of the nearest fire station. If you carry a policy endorsement on an item that's depreciated, reduce or eliminate the endorsement to save.
- **Buy all insurance from the same source.** Some insurers will reduce premiums 5–15% by using them for all your insurance needs.
- **Check on group coverage resources.** Check with employers, alumni and professional trade groups who may offer insurance packages at competitive rates.
- **Don't insure your land.** Although it's part of the market value, it isn't at risk for insured losses such as fire, theft, hail or wind. No need to include it in the amount of coverage you carry, as you may end up paying a higher premium.
- **Opt for guaranteed replacement cost.** Although more expensive, it could save you money in the event of a major loss. A "replacement cost" policy pays to replace the damaged property or loss, regardless of its age and condition, with materials of similar kind and quality. An "actual cash value" policy provides reimbursement at the depreciated value.
- **See the Ohio Department of Insurance [Shopper's Guide to Homeowners Insurance](#)** for general information regarding coverage and claims.
- **Avoid frivolous claims.** Submitting a claim after years of paying premiums is justifiable, but frequent claims may mark you as a high risk. Pay for losses that are close to your deductible.
- **Protect home business operations.** Don't assume automatic coverage. Protect special home business risks by endorsement or a stand-alone commercial policy.
- **Stay with your insurer.** Some insurers reduce premiums by 5% after three to five years, and up to 10% if you remain a policyholder longer.

- **Make insurance part of the home buying process.** Choosing a home less prone to natural disasters or fire can mean a significant savings. For more information, see the Insurance Information Institute's [homebuyer's insurance checklist](#).
- **Keep tabs on your credit.** An insurance score is a snapshot of your insurance risk based on information in your credit report. It reflects your bill payment patterns over time, with more emphasis on recent information. Many companies take insurance scores into account when assessing homeowners insurance risk. To improve a score: Pay bills on time, keep balances low on credit cards, and apply for and open new credit accounts only as needed. Review your credit reports annually to check for inaccuracies. If you find errors, notify the corresponding credit bureau.  
As noted under auto insurance, federal law allows you to receive a free credit report every 12 months from each credit reporting company (TransUnion, Experian and Equifax). Reports can be accessed three ways:
  - **Online:** [Annual Credit Report](#)
  - **Phone:** 877.322.8228
  - **Mail:**  
Annual Credit Report Request Service  
P.O. Box 105281  
Atlanta, GA 30348-5281

(REV 2/17)