

The Key to Buying Homeowner's Insurance

**A Special Report
Compliments Of...**

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**How To Make Sure A Sudden Disaster Like A Fire,
Earthquake, Flood, Or Lawsuit Doesn't Destroy Your
Home... And Your Family's Dreams And Future!**

Picture this scene...

While driving home from visiting a friend one Saturday night, Bob and Janet Larsen heard on the radio there had been a fire in their neighborhood just an hour earlier. Seven homes were totally destroyed.

The radio announcer said, *“Although damage to the homes was one of the worst I’ve seen in years, I am very glad no one was injured or killed in the blaze.”* And, at the end of her report, she mentioned the addresses of the houses that were destroyed by the fire.

When Bob and Janet heard their address, a shocking feeling rushed through their bodies. They nervously looked at each other, and then Janet said, *“It can’t be our house! No, not our house!”*

As Bob picked up his cell phone to call home, he realized the battery was dead. Maybe that explained why they haven’t heard from their nine-year old son, Brian, or their babysitter, Joan, or one of their neighbors.

After changing his cell phone’s battery, Bob then dialed his home phone number, hoping Brian or Joan would answer.

When he didn’t hear the phone ring on the other end or their answering machine come on, he knew something was terribly wrong, and Janet sensed it, too. And, as their hearts started to beat faster and faster, a knot began forming in their stomachs.

Bob then called Joan’s house, which was located two blocks from his. And, as the phone began ringing, he said to himself, *“Joan, please answer the phone. Please answer the phone.”*

First ring... no answer. Second ring... still no answer. Third ring... again, still no answer.

After the sixth ring, Bob and Janet became very, very worried. Their hearts now were beating so fast that they felt like they had just ran their first New York City marathon. Their hands then started to tremble and, a few moments later, the rest of their bodies began trembling as well.

Suddenly, just as Bob was about to hang up, a voice on the other end said, *“Hello.”*

“Hello. Is this Joan?” Bob asked abruptly... while still trembling.

“Yes!” Joan answered.

When Bob found out from Joan that his son was playing in her backyard with three other children as the two of them spoke, he felt a huge weight had just been lifted off his shoulders.

Joan then told Bob the reason she didn’t answer the phone sooner was she went over to a neighbor’s house to borrow some butter just a few minutes before he called. She only heard her phone ring when she came back inside the house.

She told him she had been trying to call him and Janet for the last half an hour, but his cell phone wasn't on. And, in an apologetic and empathetic voice, she then confirmed Bob and Janet's worst nightmare. Their house indeed had been completely destroyed by fire.

Bob almost dropped his cell phone when he heard that. He then handed the phone to Janet.

After a few moments of silence, both Bob and Janet tried to recompose themselves from the shocking news – the worst news they had ever heard in their lives – and then Janet told Joan that she and Bob would come by her house to pick up their son in about fifteen minutes.

Even though Bob and Janet were extremely relieved to know their son, Brian, was OK, the thought of losing their home was... very painful.

So, during the fifteen-minute drive to Joan's house, they both hoped (more like prayed) they had enough home insurance protection. They then told each other they wished they had paid more attention to their homeowners' insurance policy. (The truth was, even though they had renewed their homeowners' policy three times, none of them had even read it.)

Anyway, when Bob and Janet found out from their insurance agent that they only had enough insurance to cover just about half of their losses, they both felt devastated.

Unfortunately, like many families, because the Larsens hadn't reviewed their homeowners' insurance in three years, they didn't realize they were extremely underinsured. So, the money they got from their insurance company was only enough to cover their outstanding mortgage balance and to replace some of their personal belongings.

In fact, they were so underinsured that even if they were to use all of the insurance money to build a new house similar to their old one, they would still need another \$91,000! And, to replace all their personal possessions like their furniture, appliances, computer, stereo equipment, clothes, jewelry, silverware, and so on, they would need another \$47,000!

Sadly, after paying off the mortgage with the insurance money, the Larsens didn't even have enough left for a down payment on another house, not even a smaller one. So, they had to rent an apartment, located in a less pleasant neighborhood than their old home. They would have to live there until they have saved enough money for a down payment on a house.

Having been forced to live in an apartment (again) was extremely tough on the Larsens, because they had just moved out of one four years earlier.

Both Bob and Janet Larsen had been working long and hard to buy their old home and everything they owned before the fire. And now, they would have to start all over again, from scratch.

When Bob and Janet realized they would have to work for the next three years just to earn enough money for the down payment on a home similar to their old one, they almost burst into tears.

Even a year after they lost their home, every time they thought about it, they still tried to figure out the answer to this question, “*Why did this disaster have to happen to us?*”

Now, how would you feel if what happened to the Larsen family... actually happened to yours?

Isn't this a disaster you've hoped and prayed would never happen to your family?

Sure, we all have.

Please listen closely, as disturbing as this story is, it isn't the exception. Situations like this had happened, are happening, and will happen to thousands of families in our country every year.

This is because too many families simply don't have enough (or any) homeowners' insurance to protect their homes and belongings against disasters like fires.

Now, while you may know someone whose house was partially or totally destroyed by fire, you may not realize how often a house fire takes place. Believe it or not...

More Than Half A Million Homes Catch Fire Each Year In The United States!

That's right, according to statistics, in America, a house catches fire every 61 seconds, which equals to 1,416 house fires every day, 9,912 every week, 42,480 every month, or 509,760 every year!

Wouldn't you agree that's a lot of house fires?

Unfortunately, although fires do cause enormous physical damage and loss to countless homes and cause suffering to countless people each year, there are other natural disasters equally as destructive as fires (or sometimes even more destructive).

Just look at these statistics. In America...

- ⇒ **Tornadoes strike every month of the year and in almost every state!**
- ⇒ About 400 to 500 earthquakes are reported each year!
- ⇒ **Two deadly hurricanes are likely to strike the coast each year!**
- ⇒ Floods and flash floods are the most common natural!
- ⇒ **Disasters... Happening In All 50 States!**

Now, as if these natural disasters aren't bad enough, you also face human-made disasters.

For instance, according to the U.S. Crime Bureau...

A Home Is Burglarized Every 10 Seconds In America!

This works out to be 360 home break-ins each hour, 8,640 each day, 60,480 each week, 259,200 each month... or 3,153,600 each year!

These statistics are incredibly frightening, wouldn't you agree?

No doubt!

Look, your home is probably the single largest investment you'll make in your lifetime, isn't it? And owning it is probably one of your greatest joys in life, right?

Like most homeowners, you (and your spouse) also have worked long and hard to buy your home and all your personal valuable possessions, such as your entertainment system, computer equipment, jewelry, stamp or coin collection, and so on, haven't you?

If so, then wouldn't you want to make sure you would never lose everything you now own because of a sudden disaster like a fire, earthquake, flood, windstorm, hurricane, tornado, lightning, explosion, theft, lawsuit, or any other natural or human-made disasters?

You probably answer... "*Absolutely!*" right?

The wonderful news for you is...

**An Unfortunate Event – No Matter How Damaging –
Doesn't Have To Force You To Lose Your Home!**

You see, thanks to the miracle of homeowners' insurance, if something devastating should happen to your home, you'll get the money from your insurance company to recover your losses (if you have the right kind of protection).

One of the main reasons many homeowners haven't protected their homes and personal belongings properly against unexpected disasters... is they think such events could only happen to somebody else.

How many times have you heard someone say...

“I Never Thought That Would Ever Happen To Us!”

Probably at least dozens of times, right? Perhaps you've even said it yourself many times.

Let's face it, no one wants to think disasters like losing a home or a loved one would ever happen to them... until it's too late!

Sadly, it's this kind of incorrect thinking that has prevented many homeowners from preparing themselves properly to handle unfortunate events. So, when disasters strike, they usually have to suffer financially, as well as mentally and emotionally.

If You Fail To Plan... You're Planning To Fail!

It's fine to expect things to turn out the best for you... as long as you've planned for the worst.

This is because, in life, things *don't* always turn out the way you want them to. And disasters usually strike at the worst time, when you least expect them.

But, the good news for you is, you can use homeowners' insurance to reduce or even eliminate your financial sufferings if something bad should happen to your home and belongings.

Listen to what Winston Churchill, the late British Prime Minister, once said about insurance...

"If I had my way, I would write the word insurance over the door of every house, because I'm convinced, for sacrifices that are inconceivably small, families can be secured against catastrophes which otherwise would smash them up forever."

Through the miracle of homeowners' insurance, you have the opportunity to use a small percentage of your assets, like 2%, to protect the other 98%!

This is terrific, isn't it?

You bet!

Listen, when you buy a homeowners' insurance policy, you pay money, known as the *premium*, to an insurance company. The insurance company then invests your money, together with those of thousands of other insurance buyers, known as the *policyholders*, to earn a great rate of return.

By doing so, the insurance company will have the money to pay the financial losses, known as the *proceeds*, that you or other policyholders may suffer because of an unfortunate event.

When you buy an insurance policy to protect your home and belongings, you believe the risk of you suffering a major financial loss from an unexpected event... is greater than the premiums you'll pay on the policy. And so you want to shift this risk to the insurance company.

On the other hand, by selling you the policy you want to buy, the insurance company believes the premiums they're receiving from you over the policy period... are greater than the proceeds they must pay out in claims (requests to recover losses covered by an insurance policy).

Insurance Creates A Win-Win Situation!

When you buy the right kind of homeowners' insurance, you'll gain security and peace of mind, knowing if a sudden disaster should ever happen to your home or possessions, or both, then your family won't have to suffer financial hardships. And that's a "win" situation for you.

And the insurance company also wins by adding the premium dollars you pay to those of thousands of other policyholders, and then using that large amount of money to make profitable

investments. And they use their financial muscle to fuel the economy, building skyscrapers and providing countless jobs, and so on.

Although some policyholders think their insurance companies are making too much money from them, others think powerful and wealthy insurance companies enable them to sleep better at night, knowing the money will be available to pay their claims when they need to file them.

One of the biggest complaints many homeowners' have about insurance companies is, although they have been paying thousands of dollars in premiums over the years and have never made a claim, their premiums still keep on rising for no apparent reason.

If you feel the same way about insurance companies, I understand.

But, please keep this important fact in mind, since insurance companies calculate the premiums you and other policyholders pay based on the claim history of all their policyholders, while you may have never made a claim, others may have made several claims.

The good news is, even though your premiums may still be increasing every year or every few years, most insurance companies do charge you a lower premium than they charge a policyholder who has made one or more claims. (For the policyholders who've made too many claims, their insurance company may not renew their policies when they expire, leaving them with no insurance protection at all. This puts them at enormous risk.)

Anyway, it doesn't matter whether you think positively or negatively about insurance companies, you probably agree our society is better off with homeowners' insurance products than without, right?

Let's face it, without homeowners' insurance, millions of homeowners' in our country would suffer huge financial hardships if unfortunate events happened to their homes and possessions.

Look, one of the main reasons homeowners' premiums have been higher in recent years than in the pre-80s periods... is insurance companies have been paying out record claims.

For example, in 1992, Hurricane Andrew ripped through Florida, Louisiana, and Mississippi, and caused \$16.5 Billion (that's Billion with a B) in damages. (Seven large insurance companies in Florida had to file for bankruptcy as the result!)

And, in January 1994, the Northridge earthquake shook Southern California and caused \$12.5 Billion in damages.

Besides Hurricane Andrew and the Northridge earthquake, there had been other smaller, but also very damaging hurricanes and earthquakes, as well as floods, tornadoes, fires, and so on.

Sadly, even if you never have to face one of these natural disasters in your lifetime, owning a home still exposes you to some other devastating risks.

For instance, if someone trips on your driveway and breaks his or her arm, then you could be sued for a fortune. And, if you're found negligent or guilty, then this could cause huge financial hardships on your family.

Worse, depending on the amount of the judgment (settlement if you didn't go to court), *you may even end up losing everything you now own* – your home, cars, savings, investments, and so on.

Even if a thief breaks into your home and steals only some of your belongings, such as your TVs, furniture, jewelry, tools, clothes, it could cost you tens of thousands of dollars to replace them.

But, the good news for you is, while you may not be able to prevent a disaster from happening to your home, you don't have to suffer financially if it happens.

That's right, when you have the right insurance protection for your home and assets, you can sleep more soundly, knowing, if an unfortunate event should happen to them, then your family *won't* have to suffer financial hardships.

If you have homeowners' insurance right now, then you already understand the importance of protecting your home and belongings.

But, the challenge is, like many families, you may not have enough coverage or the right coverage, or both, for your individual situation, or you may be paying too much for the coverage you have.

In any case, you're about to learn the basics of homeowners' insurance and how to choose the right policy, as well as how to save on your insurance premiums.

The Key To Buying Homeowners' Insurance

The key to buying the right kind of homeowners' insurance is to make sure you buy enough of the right coverage to protect your home and belongings in case of a total loss.

The purpose of insurance is to restore you to the same condition you were in prior to the time of the loss. For example, if your home were to be completely destroyed, then you want to make sure that you had enough insurance to rebuild your home to the way it was before the loss, and to replace any personal belongings that may have also been destroyed.

One of the biggest mistakes many homeowners make is they buy only enough insurance to cover their mortgage (which is required by their bank or other lending institution). So, when a disaster strikes, many of them usually don't have enough money to replace even just half of their losses.

Now that you know better, be sure you don't make this same deadly mistake, OK? Good.

There are six basic types of homeowners' policies – HO-1 (Homeowners 1), HO-2 (Homeowners 2), HO-3 (Homeowners 3), HO-4 (Homeowners 4), HO-5 (Homeowners 5), and HO-6 (Homeowners 6). Each one differs in the kind and amount of coverage they offer.

HO-4 policies are for renters and HO-6 policies are for co-op apartment and condominium owners. Both policies protect your belongings, with very limited coverage on the structure. Your landlord or condominium association's policy protects the building.

HO-5... sometimes called a "Deluxe," "Premium," or "Premier" policy, is the most popular homeowners' insurance policy, protecting both the structure of your house and also your personal belongings. This is the one to consider if you own a house.

(Important note: If you're renting a house or apartment, *make sure you have enough renter's insurance to protect your belongings, as your landlord's policy only covers the building, and not your personal property.*)

Now, while we're only going to talk about HO-5 policies in this report, if you rent your home or own a condominium or co-op apartment, you can still benefit from the information.

At the end of this report, you'll discover how to get a *Free, No-Risk And No-Obligation Homeowners' Insurance Analysis*, which will let you know if you have the right homeowners' insurance protection, and at the best price.

A standard homeowners' insurance policy has three types of coverage...

1. Property coverage
- 2. Personal property coverage**
3. Liability coverage

Let's examine each one in more detail.

(1) Property Coverage

Property coverage protects the structure of your home (including sheds, fences, storage, and garage) for losses from fires, lightning, windstorms, tornadoes, hail, explosions, falling objects, weight of snow or sleet, smoke, vehicle crashes, aircraft wrecks, theft, riot, vandalism, and some other perils (a peril is a condition which can cause a loss).

As you may have noticed, these perils don't include earthquakes and floods. You have to buy them separately. Please check with your policy to find out the exact perils it doesn't cover.

You can insure the structure of your home in three ways...

- 1. Actual cash value**
2. Replacement cost
- 3. Guaranteed replacement cost**

Actual Cash Value

An actual cash value policy pays for the cost of replacing your damaged property, minus depreciation (decrease in value due to age, usage, wear and tear, and other factors).

For example, if it costs \$150,000 to rebuild your home, then, after deducting depreciation of, say, \$25,000, you get only \$125,000.

Many insurance companies only offer actual cash value coverage... unless you specifically ask for replacement cost or guaranteed replacement cost.

Replacement Cost

Replacement cost coverage pays for the cost of replacing your damaged property, without deducting depreciation, but has a limit or cap on the amount your insurance company will pay. The limit can be a fixed amount or a percentage of the amount stated on your policy, known as the face value.

For example, if your policy has a face value of \$150,000 with a cap of 125% of the face value, then your insurance company will pay you a maximum of \$187,500.

As you can see, with this type of policy, if the replacement costs of your damaged property are more than \$187,500, say \$200,000, then you won't get enough money to replace all your losses.

Guaranteed Replacement Cost

With guaranteed replacement cost, your insurance company must replace your damaged property at the current replacement value, without deducting depreciation and without putting a cap on it.

For example, if it costs \$200,000 to replace your damaged property, then your insurance company will pay you this amount.

Out of these three types of coverage – actual cash value, replacement cost, and guaranteed replacement cost – the latter is probably the best choice for you. This is because, if an unfortunate event should destroy your home completely, then you'll have enough money to build another one with the same size and quality as your old one.

Let me now clarify for you the difference between replacement cost and market value.

For insurance purposes, the market value (sometimes called the “appraisal value”) of your house, which is the value of the structure plus the land, is irrelevant. Even if a fire destroyed your house completely, the land still stays intact, though it may be buried under many feet of rubble and ashes.

Since the value of your land isn't included in the costs of rebuilding your home (because it's not destroyed), you don't need to insure it. As long as you have enough insurance to pay for the costs of removing the debris and rebuilding your house to the way it was, then you're fully protected.

One last point about market value. Depending on where you live, the replacement costs of your house can be 30, 40, or 50% higher than the market value. So, if you were to insure your home based on its market value, then you're putting yourself at enormous risk.

On the other hand, if the market value is higher than the replacement costs, which can happen, then insuring your home based on its market value... simply wastes your hard-earned money.

Please listen closely, after you find out what the replacement cost of your home is, make sure you insure it for 100% of that amount.

While it's true that few homes are totally destroyed in many disasters (yours could be one of the unlucky few), insuring your home for 100% of its replacement cost... will give you more security and peace of mind.

By the way, if you own an older home, then you may not be able to insure it for 100% of the replacement cost because some of its special features, such as ceiling carvings, wooden doors or lath-and-plaster walls, are simply too expensive or can't be rebuilt.

In this case, you may consider insuring your home for an amount large enough to let you build another house or to rebuild the damaged parts to an acceptable size and quality.

Next, let's talk about...

(2) Personal Property Coverage

Personal property is your personal belongings (or your stuff), including your furniture, clothes, appliances, stereo system, TVs, computer equipment, jewelry, furs, silverware, stamp and coin collections, and so on... anything you load in the van and take with you when you move.

Your homeowners' policy protects your personal property both at home and away from home.

For example, if someone breaks into your home and steals your TV, or the golf clubs you take with you on vacation are stolen, then your insurance company will reimburse you for them.

You have two ways to insure your personal belongings...

1. Actual cash value
2. Replacement cost coverage

Actual Cash Value

The actual cash value coverage on your personal property is similar to the actual cash value on the structure of your home. Your insurance company pays you the replacement value of the damaged property minus depreciation.

Since actual cash value is depreciated value, you should avoid buying this type of coverage.

Otherwise, if your belongings are lost or damaged, then you may not get enough money from the insurance company to replace them.

For example, a stove that originally cost \$850 five years ago may be worth only \$400 today, but it may cost \$650 to replace or to buy a similar one.

Replacement Cost Coverage

With replacement cost coverage, your insurance company will pay you enough to replace your damaged possessions with items of like kind and quality, without deducting any depreciation.

In the above example, your insurance company would pay you \$650 to buy another stove to replace the damaged one, though your old stove is worth only \$400.

Whether you choose to protect your personal belongings with actual cash value or with replacement cost, your policy limits coverage on certain items.

The **typical** maximum amounts your insurance company will reimburse you on your possessions are as follows...

- **\$200 for money, bank notes, gold and silver (besides goldware and silverware), platinum, coins, and medals**
- \$1,000 on securities, deeds, accounts, letters of credit, manuscripts, passports, tickets, and stamps
- **\$1,000 for jewelry, watches, furs, precious and semiprecious stones**
- \$1,000 on watercraft, including trailers and equipment, furnishings, and outboard motors
- **\$1,000 on trailers not used for watercraft**
- \$2,000 on firearms
- **\$2,500 for silverware, silverplated ware, goldware, gold-plated ware, pewterware**
- \$2,500 on property used for the business at home, and \$250 on this property damaged or lost while traveling

Please check with your policy for the exact limits on your personal belongings.

If you find some of the coverages are too low, then consider increasing the amounts in your policy, or buying a special personal property “endorsement” or “floater.” An endorsement is an addition to your present policy. And a floater lets you insure your valuable items separately.

In case you’re curious, the reason insurance companies put limits on high-value items... is to

make the premiums affordable for more homeowners.

You see, since most homeowners have no or few expensive items like jewelry, antiques, or original art, it simply isn't fair to make them pay the same premiums as the homeowners who do have lots of expensive personal possessions.

Let's face it, if you have no personal items over the limits set by your insurance company, then you wouldn't want to have to pay extra premiums for the coverage you don't need, right?

Of course not!

On the other hand, if you have lots of expensive personal belongings and want them covered, then it's logical that you would have to pay more than someone who didn't have those exposures.

By the way, if you do have small expensive items that you use only once in a while, consider storing them in a safety-deposit box at a bank, and taking out coverage (at a reduced premium) that protects them only when you're using them. No sense paying for coverage when they're locked securely in a bank vault.

Next, let's discuss...

(3) Liability Coverage

Liability coverage is the third type of coverage provided under your homeowners' insurance policy. It pays for the damage or loss, as well as the pain and suffering, you or a resident family member cause to other people or their property.

In today's litigious society, lawsuits are very common. Unfortunately, even among friends, neighbors, and acquaintances. So, make sure you have enough liability coverage to protect your valuable assets and your family's future against lawsuits.

At a minimum, you should have at least \$300,000 of liability coverage under your homeowners' policy. But, for your family's security and peace of mind, you may consider buying extra liability protection with an "umbrella liability" policy.

An umbrella policy gives you additional liability coverage above and beyond your main liability policy. When the limits on your main policy are reached, the umbrella coverage will take effect.

For example, let's say your homeowners' policy has a liability limit of \$300,000 and you have \$1,000,000 of umbrella coverage. In this case, if you're found liable for someone's injury and must pay \$500,000 to him or her, then your main policy (homeowners) would pay \$300,000 and your umbrella policy would pay the additional \$200,000.

As you can imagine, in this example, if you didn't have the umbrella coverage, then you would have to pay the \$200,000 out of your own pocket. And this may cause huge financial hardships

on you, forcing you to sell your home, your car, and other valuable assets.

An umbrella liability policy with \$1,000,000 of coverage usually runs about \$150 to \$300 a year. And it also increases the liability coverage on your auto policies to \$1,000,000. If you have substantial assets that could be at risk, or teenage drivers (who create more risk), you will surely want to consider this extra coverage.

Now, can you guess what is a big mistake some homeowners make when it comes to buying their homeowners' insurance?

You're right, if you said... "*They buy liability coverage based on the value of their homes.*"

This is a mistake because, if they're sued and found negligent or guilty for causing damage or loss to others, then the amount of settlement (judgment if goes to court) may be five to ten times *greater* than the value of their home.

Worse, in some cases, in addition to losing everything they own, they may even have to work for the next ten or twenty years just to pay off the settlement or judgment.

In any case, just like personal property coverage protects your belongings both at home and away from home, your homeowners' liability coverage also protects you for damage you cause inside and outside your home.

For example, if a neighbor trips on a box you leave in the middle of your living room and breaks her arm, your liability insurance will pay for her medical bills, as well as other costs if you're found liable for her injury.

Or, while shopping at Safeway, if you run your shopping cart over somebody's foot, then your liability insurance will pay for that person's medical expenses, as well as other costs... if you're found liable.

Your homeowners' liability insurance also covers you for the damage your pets cause to others. For instance, if your dog bites a jogger in front of your house or at a park, then you're covered for the injury it caused to that person.

Let's now talk about...

How To Choose The Right Deductible

Similar to a deductible on your auto insurance, a deductible on your homeowners' insurance is the amount you must pay toward a claim, which is usually deducted from the total payment you get from your insurance company.

For example, if your policy has a \$500 deductible and you have a \$10,000 claim for property damage or for personal property loss, then you would get \$9,500 from your insurance company when the claim is settled.

Liability claims are different. Deductibles do not apply. For instance, if you're found liable for causing injury to another person and must pay \$100,000 to him or her, then your insurance will pay \$100,000 to that person... regardless of what your deductible is on your property or personal property coverage.

Just like the deductible on your auto insurance, the lower the deductible on your homeowners' insurance, the higher the premium you pay.

One of the easiest ways to save on your homeowners' insurance is to choose the highest deductible you can possibly afford to pay, such as \$1,000, \$2,000, or even \$5,000, instead of \$250, which is usually the minimum amount offered by most insurance companies.

Here's what you can expect to save by increasing your deductible from \$250 to a higher amount. (Keep in mind the discounts vary depending on the insurance company).

From \$250 to \$500 = 12% savings
From \$250 to \$1,000 = 24% savings
From \$250 to \$2,500 = 30% savings
From \$250 to \$5,000 = 36% savings

In addition to saving money, increasing your deductible to the highest amount you can afford to pay... will discourage you from making small claims.

For example, if you have a \$1,000 deductible, then you probably wouldn't consider filing a claim unless the damage or loss is at least \$2,000.

Please always remember this point... a homeowners insurance claim is designed to protect you from major losses, so please avoid using it for maintenance purposes.

Too many small claims – however well documented or justified – can increase your premiums substantially, or cause your insurance company to not renew your policy when it expires.

Okay. Next, let's talk about...

How To Save On Your Homeowners' Insurance

Here are eight ways to save on your homeowners' insurance.

1. Increase Your Deductible

As I've shared with you earlier, increasing your minimum deductible from the typical \$250 to a higher amount, such as \$500, \$1,000, \$2,000, or \$5,000 can save you a lot of money.

2. Buy Insurance Only For Your House... Not For Your Land

Because your land can't be destroyed in most disasters, such as fire, windstorm, hail, lightning, tornado, hurricane, theft, and so on, you don't need to insure it. So, buy only enough insurance to rebuild your home to the way in was prior to the loss, and to replace all your personal belongings if they're damaged, lost, or stolen.

(If you live in an area where a disaster like a flood or earthquake could destroy your land completely, then you may consider insuring your land as well.)

3. Buy Your Home And Auto Policies From The Same Insurance Company

When you buy both your home and auto policies from the same insurance company, you may be able to save 5 to 10%. And, if you buy other policies, such as life, health, or business, from them, if available, then you may save even more.

4. Improve Your Home Security And Safety

By installing an alarm system, dead-bolt locks, and smoke detectors, you can save at least 5%. And, by installing a good sprinkler system and an alarm system that is monitored 24 hours a day by a monitoring facility, you can usually save 10% to 20%. Check with your insurance company to see what kind of discounts they give for having such systems.

5. Don't Smoke

You may be entitled to a discount if no one in your family smokes. Since smoking-related accidents are responsible for about 23,000 house fires a year, many insurance companies charge the homeowners' who have smokers living with them more premiums.

6. Stay With One Insurance Company As Long As Possible

When you have your homeowners' policy with your insurance company for 3 to 5 years, and if you have good claim history, then you may be entitled to a 5% discount. And when you have been with them for 6 or more years, then you may get a 10% discount.

7. Ask For A Senior Discount

If you're 55 years or older, you may be entitled to a discount up to 10%.

8. Review Your Homeowners' Policy Once A Year

To make sure you don't buy more insurance than necessary, each year, make a list of your personal belongings. Include everything you and your family members own in your home and in other buildings on your property, such as the lawnmower you keep in the shed. (Exclude your car and certain kinds of boats that must be insured separately).

For major or high-value items like computers, stereo equipment, refrigerator, watches, jewelry, and so on, write down this information beside each one...

1. Serial number
2. **Brand name and model number**
3. Purchase price
4. **Date of purchase**
5. Estimated present value

Also, if you've made any improvements or additions to your home during the year, such as installing a new room or remodeling the kitchen, then list them as well.

After you've listed your possessions, then estimate what it would cost to replace them all at current prices. Compare this amount to the amount of coverage you have for personal property. If you have too much coverage, then consider reducing it. Conversely, if you don't have enough coverage, then increase it.

By the way, even if you do have receipts for all your large or high-value items, you may consider photographing or videotaping them, as well as the other belongings you keep inside your home and in your shed, attic, basement, and so on.

In fact, take your camera or video camera, or both, and go around your home, room by room. Record everything, including the stuff stored in your closets, kitchen cabinets, drawers, bookcases, boxes, and so on.

After you've done so, keep your inventory and visual records away from your home, preferably in a safety deposit box at a bank.

Keeping good records of your belongings not only helps your insurance company process your claim faster, but also helps you get the right payment from them for your loss.

Let's now discuss...

How To Choose The Right Insurance Company

When most people shop for homeowners insurance, they usually just look for an insurance company that offers them the lowest price. They fail to check whether that company is financially secure and pays their claims on time. When you file a claim, you want to get the right amount of money from your insurance company quickly, and with as little hassle as possible.

The last thing you need after suffering a loss, especially a major one, is an insurance company that delays in paying your claim, shorts you, or is difficult to deal with.

So, when choosing an insurance company, make sure to check for their claim payment history as well as what they charge. Also, choose a company that has strong financial strength and will be there when you need them. (Unlike the companies that went out of business when the hurricanes hit, and left their policyholders without any coverage.)

Organizations, such as A.M. Best, Moody's, Standard & Poor's, Weiss, and Duff & Phelps rate the financial strength and claims paying ability of insurance companies.

At a minimum, a qualified insurance company should receive better-than-average ratings from these rating organizations. You can find their publications in your local library or on the internet.

In any case, you have many insurance companies to choose from when buying homeowners' insurance. And with each company claiming to be the best, it's difficult for you to find which one is best for you. So, let us help you get help you get rid of that problem and find the best protection at the best price, and from the best insurance company... for your individual and unique situation.

Get A Professional Review Of Your Homeowner's Insurance Needs To Determine The Right Kind And Amount Of Homeowners' Insurance That Is The Best For You

Like many homeowners who haven't had their homeowners' insurance policy reviewed professionally by an insurance specialist in several years or at all, you may be paying *too much* for your current policies. Or, maybe you're carrying more insurance than you need. Or, worse, maybe you aren't carrying enough insurance to protect your home and your assets properly.

For example, if you've made improvements or additions, such as rebuilding a new deck, remodeling the kitchen, installing a new bathroom or a playroom for your child, or any other improvements that have increased the value of your home, then you may be highly underinsured.

In short, when you have the right kind and amount of homeowners' insurance, at the best price, and with the best insurance company, you'll gain more security and peace of mind, allowing you to sleep more soundly at night.

Anyway, congratulations for reading this special report from beginning to end.

By doing so, you've taken a gigantic step toward protecting your home and your family's dreams and future. The next step is for you to arrange for your Free, No-Risk And No-Obligation Homeowners' Insurance Analysis.

With the Homeowners' Insurance Analysis, within 29 minutes, you'll find out what kind of homeowners insurance policies will give you the most protection, and for the best price.

Also, if you presently have a homeowners' insurance policy, then you'll discover whether it's giving you the right protection for your home and family.

To get your Free, *No-Risk And No-Obligation Homeowners Insurance Analysis*, call us at **317-846-5805** Or, if you prefer, fill out the Request Certificate, located on the next page, and fax, email or mail it to us. And, after we've received your request, we'll get back to you within 48 hours to set up a time for us to meet.

Let me assure you, during our meeting, you won't be asked to buy anything. In fact, I insist you *leave your checkbook at home!* It isn't important for us to do business now, or even in the future.

The purpose of the Free, *No-Risk And No-Obligation Homeowners' Insurance Analysis* is for me to share some important ideas and information with you. This way, you'll be able to learn how to best protect your home and your family's future.

And, if it works out that we can help you... great. We'd love to.

But, if we find you have a better buy, are adequately covered, or can improve your coverage by making a few changes with your current insurance company, we'll let you know. There's absolutely no obligation on your part, whatsoever.

Warmest regards,

Steve Shultz

"It's My Business To Protect Yours"

P.S. By the way, if you would like for us to send a copy of this special report to a family member, friend, or co-worker, please call us at **317-846-5805**.

P.P.S. Even if you think you already have the right insurance protection for your home, getting an all important professional "second opinion" to confirm your good judgment will give you even more peace of mind. So, arrange for your Free, *No-Risk And No-Obligation Homeowners' Insurance Analysis* today. Fill out the Request Certificate, located on the next page, and fax, email or mail it to us today.

You'll be extremely glad you did.

Your No-Risk And No-Obligation Homeowners' Insurance Analysis Request Certificate

YES! I want to get together with you to make sure I have the right insurance protection for my home and valuable assets. I understand, during our meeting, I won't be asked to buy anything, and there will be no pressure and absolutely no obligation whatsoever. The purpose of our meeting is simply for you to share some important ideas and information with me, so I can make sure I'm getting the best buy for my money.

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____ Email: _____

The best day and time to reach me is: Day: _____ Time: _____

Do you have a homeowners' insurance policy right now? Yes _____ No _____

If Yes, what is your monthly or yearly premium? \$ _____ a month \$ _____ a year

If you'd like to learn how you can protect your family's dreams in case you die unexpectedly, ask for your FREE copy of the special report called... "*How To Make Sure Your Spouse And Children Won't Have To Suffer Financial Hardships In Case You Die Prematurely!*"

Do you want a copy of this free special report? YES _____ No _____

Comments: _____

To get your Free, No-Risk And No-Obligation Homeowners' Insurance Analysis...

1. Fax this certificate to **317-848-6657**, Email to steve@insurewithsteve.com Or...
2. Call **317-848-6657**. Or...
3. Mail this certificate to:

Steve Shoultz
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