

You Are Under Contract - Now What?

Jaris Realty, Inc.

Let's Get You In Your Home!

5 Things To Know About Homeowners Insurance

QUICK LIST

- You Have to Get It!
- Shop Around for Homeowners Insurance.
- Compare Apples-to-Apples.
- Have exact numbers, coverage, and quotes in hand when shopping around.
- Don't forget about flood insurance.
- Earthquake Insurance?
- Sometimes you can get deals if you have all of your insurances with one company.
- Set realistic deductibles
- In our new Economy, Replacement Costs Are Often Different from Purchase Price. Take a close look at this!
- For instance, the cost of construction has not gone down. Many homes are selling well-under what the construction costs were.

1. Know about exclusions to coverage. For example, most insurance policies do not cover flood or earthquake damage as a standard item. These types of coverage must be bought separately.

2. Know about dollar limitations on claims. Even if you are covered for a risk, there may be a limit on how much the insurer will pay. For example, many policies limit the amount paid for stolen jewelry unless items are insured separately.

3. Know the replacement cost. If your home is destroyed you'll receive money to replace it only to the maximum of your coverage, so be sure your insurance is sufficient. This means that if your home is insured for \$150,000 and it costs \$180,000 to replace it, you'll only receive \$150,000.

4. Know the actual cash value. If you chose not to replace your home when it's destroyed, you'll receive replacement cost, less depreciation. This is called actual cash value.

5. Know the liability. Generally your homeowner's insurance covers you for accidents that happen to other people on your property, including medical care, court costs, and awards by the court. However, there is usually an upper limit to the amount of coverage provided. Be sure that it's sufficient if you have significant assets.



Jaris Realty, Inc.

Buyers Agency Division



Jaris Realty, Inc.

200 S. Wilcox St. #316 Castle Rock, CO 80104

303-570-0918, Fax 800-927-1104, www.ineedthishome.com

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Jaris Realty, Inc.
More Insurance?

Let's Get You In Your Home!

Tips for Lowering Homeowners Insurance Costs

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1. **Review the Comprehensive Loss Underwriting Exchange (CLUE)** report on the property you're interested in buying. CLUE reports detail the property's claims history for the most recent five years, which insurers may use to deny coverage. Make the sale contingent on a home inspection to ensure that problems identified in the CLUE report have been repaired.

2. **Seek insurance coverage as soon as your offer is approved.** You must obtain insurance to buy. And you don't want to be told at closing that the insurer has denied your coverage.

3. **Maintain good credit.** Insurers often use credit-based insurance scores to determine premiums.

4. **Buy your home owners and auto policies from the same company** and you'll usually qualify for savings. But make sure the discount really yields the lowest price.

5. **Raise your deductible.** If you can afford to pay more toward a loss that occurs, your premiums will be lower. Avoid making claims under \$1,000.

6. **Ask about other discounts.** For example, retirees who tend to be home more than full-time workers may qualify for a discount on theft insurance. You also may be able to obtain discounts for having smoke detectors, a burglar alarm, or dead-bolt locks.

7. **Seek group discounts.** If you belong to any groups, such as associations or alumni organizations, they may have deals on insurance coverage.

8. **Review your policy limits** and the value of your home and possessions annually. Some items depreciate and may not need as much coverage.

9. **Investigate a government-backed insurance plan.** In some high-risk areas, federal or state government may back plans to lower rates. .

10. **Be sure you insure your house for the correct amount.** Remember, you're covering replacement cost, not market value.



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