

Shopping for Homeowners Insurance Checklist

If you're buying a new home, you should start thinking about homeowners insurance before you find a house and begin shopping for coverage as soon as you enter into a contract.

Getting Started

- **Determine how much coverage you need.** Buy enough coverage to replace your home if it's destroyed. Talk to your insurance agent to determine how much coverage you need.
- **Know your credit score.** Companies may consider your credit score when deciding whether to sell you insurance and at what price. They cannot deny coverage or nonrenew a policy solely because of your credit score, however. Visit www.helpinsure.com/ to learn which companies consider credit score.
- **Gather information about the house.** You'll need to know the square footage, the number of bathrooms, the materials used for the roof and exterior walls, the age and condition of the house, and the condition of decks, patios, garages, etc. These are items that help determine how much you'll pay for coverage.
- **Find out if the house is in a designated flood plain.** Visit www.floodsmart.gov/.
- **Have the house inspected by a professional inspector before you buy.** An inspection helps identify potential problems. Don't buy a house unless you get a satisfactory inspection report. Give a copy of the inspection report to your insurance company.
- **Get a CLUE report.** Most insurance companies use the Comprehensive Loss Underwriting Exchange (CLUE). CLUE lists the property insurance claims history of individuals and houses – regardless of ownership. Ask the home's current owner for a copy of the CLUE report for the house. Some companies may deny coverage or charge more if a home has had certain types of damage, such as water damage, in the past.
- **Make a detailed inventory of your property.** The Texas Department of Insurance (TDI) has a Home Inventory Checklist to help you at www.tdi.texas.gov/pubs/consumer/cb086.pdf. If you have expensive items such as jewelry, computers, coin collections, or artwork, consider buying endorsements to add or increase coverage for these items.
- **Decide what coverages you need.** Homeowners policies typically cover the house and outbuildings; personal property; additional living expenses if the home is damaged by a covered loss and unlivable during repairs; liability protection; and medical bills for people hurt on your property. Policies and level of coverage can vary by company. Read the policy carefully to know exactly what's covered. Visit the Office of Public Insurance Counsel website to compare policy coverages at www.opic.state.tx.us/. You may need the following additional coverages:
 - **Flood insurance.** Homeowners policies typically do not cover damage from floods. Flood insurance is a good idea, even if you don't live in a high-risk area. The National Flood Insurance Program offers flood coverage in many areas. For more information, talk to your insurance agent or visit www.floodsmart.gov/.
 - **Hurricane and windstorm coverage.** If you are buying a home in one of Texas' 14 coastal counties or certain parts of Harris County, your policy might exclude coverage for hurricanes and windstorms. You may be able to purchase this coverage from the Texas Windstorm Insurance Association (TWIA). Talk to your insurance agent or visit the TWIA website at www.twia.org/ for more information and eligibility requirements.
 - **Earthquake insurance.** Buy earthquake insurance if you're concerned about earthquakes.
 - **Personal umbrella liability insurance.** If you want more liability coverage than a homeowners policy provides, you can buy a separate umbrella policy.

Start Shopping

Use these tips to start shopping for homeowners insurance:

- **Use Helpinsure.com.** Helpinsure.com is a free and secure service of TDI and OPIC to help Texans shop for automobile, homeowners, condo, and renters insurance. You can view sample rates for companies writing new homeowners insurance in your area, compare policy coverages, and view company profiles that show a company's history, complaint index, and financial rating from an independent rating organization.
- **Ask several companies and agents for price quotes because rates vary.** When comparing rates, make sure they are for the same coverages. You can view sample rate comparisons on www.helpinsure.com/.
- **Contact an insurance agent to help you shop.** Some insurance agents represent a single insurance company or company group. Independent agents may represent several companies. Including independent agents in your search allows you to get quotes from multiple companies with a single call.
- **Verify that an insurance agent and company are licensed.** To protect yourself, buy only from licensed insurance agents and companies. Use the Check Agents and Check Companies features on our website at www.tdi.texas.gov/ or call the Consumer Help Line at 1-800-252-3439.
- **Answer questions truthfully.** Providing incorrect information when you apply for insurance could lead to an incorrect rate quote or a denial or cancellation of coverage. An insurance company may cancel your policy within the first 60 days if it gives you 30 days' notice.
- **Ask about discounts.** Some companies offer discounts if you take steps to reduce your chances of a loss. For instance, you may be able to get a discount if you have an impact-resistant roof or a burglar or fire alarm. The discounts offered and their amounts vary by company.
- **Choose the highest deductible you can afford.** Higher deductibles will lower your premium, but you'll have to pay more out of pocket if you have a claim.

Having Trouble Finding Insurance?

- **Helpinsure.com** is a free service to help you shop for homeowners insurance. For more information, visit www.helpinsure.com/ or call 1-866-695-6873.
- **The Texas FAIR Plan Association** provides homeowners insurance to homeowners who qualify. For more information, visit www.texasfairplan.org/ or call 1-800-979-6440.