

Texas Home Owner Insurance Rate Guide

Provided by: www.TexasInsuranceZone.com

Texas Homeowners Insurance

Introduction

Texas law **does not require you to purchase homeowners insurance.** However, if you are financing your home, your lender may require you to purchase insurance.

Understanding Rates

Texas Homeowner Insurance companies base your premium on factors such as the **replacement cost** of your home, its **construction** materials, the **area** where you live, your **claims history**, your **credit score**, and local **fire protection**.

Texas Homeowners Insurance Companies that sell homeowners insurance are required to **submit their rates** to the Texas Department of Insurance. State law requires insurance rates to be reasonable, adequate, not excessive to the risks for which they apply, and not unfairly discriminatory.

How to Use the Rate Guide

The table lists companies and the annual rates they would charge four "typical" homeowners with \$100,000 coverage on the house, \$40,000 on its contents, a 1 percent (\$1,000) deductible, and "good" credit.

Companies can sell several types of policies, each with a different level of coverage:

- HO-A policies provide extremely limited actual cash value coverage of your home and its contents. Only the types of damage specifically listed in the policy are covered.
- HO-A Amended policies provide more extensive coverage than the base HO-A policy, but less coverage than the HO-B. For instance, HO-A Amended policies may include replacement cost coverage and coverage of damage from "sudden and accidental" water discharges. These are not covered by the base HO-A policy.
- HO-B policies provide replacement cost coverage for most types of damage, except those specifically excluded in the policy. In general, the HO-B policy provides the most coverage for the price.
- HO-C policies provide the most extensive coverage, but are more expensive than other types of policies.
- Other approved policies are policies offered by companies that the Commissioner of Insurance has approved for sale in Texas. Coverage provided by these policies may differ considerably from one another.

The rates listed in this rate guide are for the type of policy that a particular company says it is most likely to sell to new customers.

Typical Homeowners Policies

The homeowner profiles probably won't match your situation exactly, but they provide a way to compare prices. The rates shown are estimates given to the Texas Department of Insurance by the companies and are based on a limited set of criteria. **They are not the exact amounts you will be quoted.** Your premium will vary according to your individual circumstances and could be significantly higher than the rates listed.

Owner A: Owns a brick veneer home in an urban area with good fire protection.

Owner B: Owns a frame home in an urban area with good fire protection.

Owner C: Owns a brick veneer home in a rural area with limited fire protection.

Owner D: Owns a frame home in a rural area with limited fire protection.

Financial Rating

A.M. Best Co.'s rating of the financial strength and operating performance of each company. Reprinted by permission. Best's ratings are subject to change and are current only as of the publication date. For current rating information, call A.M. Best or visit its **Web Site**

1-908-439-2200

www.ambest.com

Ratings Classifications

A++ and A+ mean Superior

A and A- mean Excellent

B++ and B+ mean Very Good

B and B- mean Fair

C++ and C+ mean Marginal

C and C- mean Weak

NR means the company was not rated by A.M. Best.

A.M. Best Co. is not responsible for errors in presentation or content and does not endorse this publication in any way.

Complaint Index

How each company's consumer complaints compare to the average, with an index of 1.00 as average. Below 1.00 means fewer complaints than average. Above 1.00 means more complaints than average.

- **How to Find the Best Rate**

Get quotes from several companies before you buy. Include independent agents in your search. Some agents only represent a single company or company group. Independent agents may represent several companies.

- Consider higher deductibles. You can save money on your premiums by increasing your policy deductibles. But remember that you'll have to pay more out of pocket if you have a claim.

Ask your agent about discounts. You may be eligible for discounts for things like having an impact-resistant roof, security system, and fire sprinkler system.

Copyright © USIZ Inc.

- Some companies may offer discounts if you have multiple policies, a newer home, or a good claims history.

Before You Buy a Policy, Remember:

In addition to cost, consider other factors, such as the company's financial strength and complaint history. Also make sure you understand what coverages are included with the policy.

Choose a policy with the highest level of coverage you can afford.

Don't cancel a policy until you have a new policy in effect.

Answer all questions on the application truthfully. Wrong information could cause an incorrect price quote or a denial or cancellation of coverage. **A company can cancel a newly issued policy within the first 60 days if it identifies an undisclosed additional risk for claims.**

The amount of coverage you buy should be based on your home's replacement (rebuilding) cost, *which may be different from its market value.*

Unfair Discrimination

An insurance company cannot deny, refuse to renew, limit or charge more for coverage, or unfairly discriminate in any manner because of your race, color, religion, or national origin. Nor can a company discriminate because of your age, gender, marital status, geographic location, or disability or partial disability unless the refusal, limitation, or higher rate is "based on sound underwriting or actuarial principles." This means the company must have valid evidence that you present a greater risk for a loss than homeowners it is willing to insure.

The Texas Department of Insurance rules prevent companies from denying coverage based on the age and value of your home. However, **companies may deny coverage because of the condition of the dwelling, including the plumbing, wiring, and heating and air conditioning systems.**

Having Trouble Finding Insurance?

For help finding homeowners insurance, visit or call

www.helpinsure.com

1-866-695-6873

Helpinsure.com is a free service of the Texas Department of Insurance.

The state's Market Assistance Program (MAP) also may be able to help you lower your insurance costs. For more information, call

1-888-799-MAPP (6277)

TDI's Consumer Help Line or by visiting the TDI website
1-800-252-3439 463-6515 in Austin **www.tdi.state.tx.us**

Copyright © USIZ Inc.