

YOUR GUIDE TO BUYING & SAVING ON
**HOMEOWNERS
INSURANCE**

RW ROYCE
WILLIAMS
INSURANCE



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Buying a home is expensive, and homeowner's insurance is designed to help you protect your investment. But, it can do a lot more. With the addition of optional coverage you can go as far as protecting other aspects that are important to you. We understand that with a major investment it's hard to want to spend even more money. When you're armed with the right information, it's possible to purchase a comprehensive policy that includes the protection that you need.

WHY YOU NEED HOMEOWNERS INSURANCE

Let's start simply with why you need homeowners insurance. A policy like this is designed to protect you from contingencies.

con·tin·gen·cy

An event or circumstance that can't be predicted.

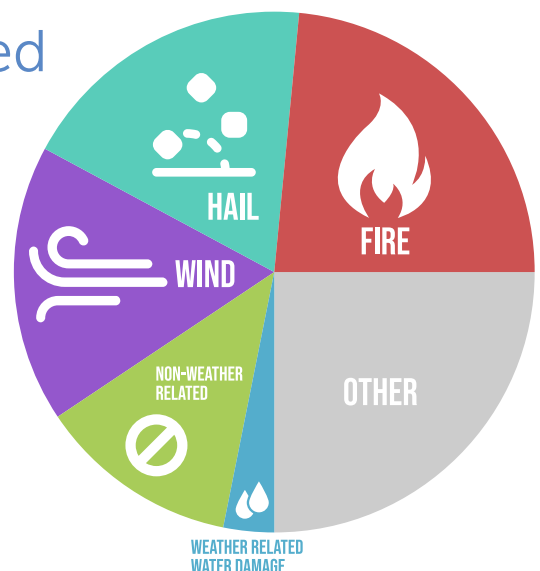
What are some types of contingencies you might experience as a homeowner?

- Damaged roof
- Exterior damages from a storm
- Busted pipes
- Fire damage
- Poor wiring

The list can go on, but we hope you see the point. There are events that you can't plan for that might have an impact on your home and your ability to live there. Homeowners insurance steps in when something goes wrong and you need financial assistance to complete the repairs.

The Most Costly Damages Protected by Homeowners Insurance

- Fire - 23%
- Hail - 20%
- Wind Damage - 18%
- Non-Weather Related Damage - 11%
- Weather-Related Water Damage - 3%



STANDARD INSURANCE COVERAGE

The beauty of home insurance is the ability to customize a policy to fit your needs and your budget. There are a few things every plan will offer to give homeowners the most protection.

Average Cost of Losses

- Fire and Lightning - \$50,315
- Bodily Injury and Property Damage - \$23,010
- Losses caused by water damage and freezing - \$9,633
- Property Damage - \$5,052
- Theft - \$4,146
- Medical payments/other - \$2,864
- Credit Card/other - \$441

Personal Property Coverage

Items found within the home fall under personal property. It could cover furniture and your electronics. Your agent will give you more details. But, the chances are the things you are valuable. Personal property coverage will step-in if they are damaged.

Dwelling Coverage

Referring to the actual structure of your home, dwelling coverage protects walls, the roof, and anything attached. That includes decks and garages. Do you have a detached garage or shed? That would fall under "other structures" but good news, you can get coverage for that too.

Did you know?

Weather-related damages are the most common reasons why homeowners make a claim. Out of these issues, wind damage accounts for 25% of the claims made.

Family Liability

On the off chance you or a family member is found legally responsible for causing personal injury or damaging another person's property, family liability will step in and help cover any legal fees.

Guest Medical Protection

Hopefully, if you buy this amazing home, you have guests over to enjoy it with you. Guest medical protection is available in case one of these guests ever sustain an injury while on your property.

THE AVERAGE COST OF HOMEOWNERS INSURANCE

At-A-Glance Average Rate: Between \$600 and \$2,500 | Average Deductible: \$1,000

We'll be honest and say that it's very hard to answer this question without knowing a bit more information. What will impact your initial costs are location and the value of your home. When you start playing with the numbers of your deductible and out-of-pocket your pricing per month can go up or down. Here are a few things that we can tell you so far.

Average TN Rate

The annual rate, as in billed once a year, can fall between \$1,100 and \$2,500.

Your Amount Deductible Will Affect Pricing

On average, the homeowner will usually opt for a \$1,000 deductible. The smaller the deductible, the higher your monthly costs.

The Type of Home You Insure Matters

If you've opted to buy an older home, say built more than 50 years ago, the chances are your insurance policy will be a little bit higher. So will homes that have more square footage or liabilities like pools and trampolines.

Prior Insurance History Matters

All claims made on an insurance policy are searchable. If you are getting new homeowners insurance, the agency will factor this into the decision-making process and affect the price.

UNDERSTANDING YOUR DEDUCTIBLE

We've mentioned the deductible a couple of times and think it's appropriate to articulate how it affects you. A deductible does two things: state the amount of coverage you can expect from your insurer and affects the pricing. The higher the deductible, the lower your premium. So, if we break it down, the deductible reflects the amount of money you will have to pay towards repairs before your insurance company steps in financially.

The Average Claim is \$7,368

Types of Deductibles

When you take out a policy you will probably come across these three options:

- **Dollar amount** - referring to the sum. If there are external damages that will cost \$4,000 to repair, with a \$1,000 deductible, you will pay \$1,000, and your insurer will pay \$3,000.
- **Percentage** - will be determined by home's value. If your home is insured for \$250,000 and your deductible is 2%, you're financially responsible for the first \$5,000 worth of claims made to the policy.
- **Split** - combines the previous two. Some insurers will cover a specific dollar amount, and then there are times when there will be coverage covered by a percentage.

Remember:

The higher the deductible, the lower your premium. If you want to save money, you can play with the deductible to suit your financial needs.

Homeowner insurance deductibles are different than those found on health policies. The deductible applies for every claim whether you reach the threshold or not. That being said, if you don't want your premium to go up and the repairs are less than your deductible, you might want to just pay for it without filling it.

ADDITIONAL COVERAGE OPTIONS

Building a policy tailored to your needs is possible. In addition to those standard coverages, most insurance agents offer additional coverage for added protection. These items are usually tacked on based on your needs, which means you don't have to opt for all of them. You can choose based on what's important to you.

Water Backup

The coverage you need when your drain backs up or your pump breaks. Water damage protection is tricky, but this is great especially for older homes.

Scheduled Personal Property

Additional protection can be had if you have valuables like jewelry, electronics, or antiques.

Business Property

Work from home? Store any of your business items in your house? This optional coverage will protect anything that falls under business.

Identity Theft Restoration

It's sad but true that identity theft happens a lot more than you think. Restoration coverage will help with legal fees, lost wages, and more.

Sports Equipment

If you keep expensive and valuable sports equipment at your home, you might want to look into this type of optional coverage.

Green Improvement Reimbursement

Get money back if you decide to replace items with something more energy-efficient.

Yard and Garden

You can expand your protection to include landscaping, tree, and lawnmower damage with yard and garden coverage.

Electronic Data Recovery

No one wants to be hacked, but if you are this coverage will help cover the costs of getting back computer data, photos, and more.

Musical Instruments

Music City residents listen up. If you have musical instruments at home, you want to look into this coverage to keep them protected.

A QUICK LIST OF WAYS TO SAVE ON YOUR INSURANCE

New Roof

Install a new roof and save

Multi-Policy Discount

Bundle and save money

Did you know?

Bundling can help you save up to 25% of your premium.

Claim RateGuard®

A feature that will ensure your rate doesn't go up just because of a claim.

Claim-Free Rewards

When you switch insurers and don't have a previous claim history

Early Signing Discount

Switching to a new insurer before your other policy runs out

Home Buyer Discount

Save when you've just bought a house or if it's a new build

Safe Home Discount

Install security devices, and you can save every month.

Welcome Discount

Switching insurers will sometimes result in a welcome discount.

55 and Retired Discount

A special discount for those who are older than 55 and retired.

Did you know?

Security alarm systems and devices can save on your premium?

GET THE BEST HOMEOWNERS INSURANCE

When it's time to get the most out of your homeowner's insurance, you want to work with an agency that is willing to help you build a plan based on your needs. There are a ton of options available to help find the most coverage at a reasonable cost. All the while, you are protecting your home and your family. Decide what coverage options matter to you most and identify a budget. Together with Royce Williams Agency, we can customize your policy to protect everything that matters to you most while still remaining on budget.



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