

Make certain that you understand the limits and exclusions under your policy.

For example, do you have a replacement cost or actual cash value policy? Do you have enough coverage to rebuild your home after a loss? Do you have enough coverage to replace your personal property after a loss? What is covered and what is excluded? For a full explanation of how to shop for a policy, refer to *A Consumer Guide to Homeowners Insurance* available on our website at www.insurance.maryland.gov or call us at 800-492-6116 to request a copy.

Protect yourself from insurance fraud. It is illegal for unauthorized companies and agents to sell insurance in Maryland. Once you have selected an insurance company, contact the Maryland Insurance Administration at www.insurance.maryland.gov, or call us at 800-492-6116, to verify that the agency/company is authorized to sell insurance in Maryland.

The Maryland Insurance Administration (MIA) is the state agency that regulates the business of insurance in the State of Maryland. If you have a question about insurance or experience a problem, contact the MIA at 800-492-6116 or visit our website at www.insurance.maryland.gov.

This consumer guide should be used for educational purposes only. It is not intended to provide legal advice or opinions regarding coverage under a specific policy or contract; nor should it be construed as an endorsement of any product, service, person, or organization mentioned in this guide.

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TIPS ON SHOPPING FOR HOMEOWNERS INSURANCE



INSURANCE
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Comparison shopping is the key to getting the most for your insurance dollar. The best time to shop for insurance is well before your current policy renews, you purchase a new house, or you make a major addition to your house. The following should help you when shopping:

Comparison-shop. Make certain you provide the same information to each company or agent, and that you compare policies that offer the same types of coverages with the same deductibles and coverage limits. This way you will be comparing “apples to apples” and will be able to tell how much money, if any, you are actually saving. You may want to contact several insurance companies or agents; as well as ask your friends and relatives for recommendations. In addition, some banks, employers, and special interest groups offer insurance directly to their members. You can also refer to our brochure, *Homeowners Insurance: A Comparison Guide to Rates*, to get an idea of costs. This brochure is available on our website at www.insurance.maryland.gov or by calling us at 800-492-6116 to request a copy.

Ask for price quotes. When you call a producer or insurer, typically, you will be asked about the type of construction and design of your house, the distance to the nearest fire department and hydrant, the use of security devices, and the types of

coverages you want as well as the dollar limits for those coverages. Make sure the information you provide is accurate and that you provide the same information to each producer or company that you call. Also, keep in mind that one insurance group often includes many companies (not just the ones listed in our guide), and the rates and/or underwriting requirements may be different for each company within the group. Ask the agent about other companies in the group.

Ask for discounts. To help keep your premium down, ask what discounts the company offers. For example, premium reductions may be granted if you buy your homeowners and auto insurance from the same insurer, or if you install a security system and smoke detectors. Some companies offer discounts to senior citizens, members of groups or associations, and nonsmokers.

Ask about deductibles. A deductible is the amount you agree to be responsible for in the event of damage to your house (e.g. wind, hail, accident, fire, or vandalism) before the insurance company makes any payments. If you select a high deductible, you pay more out-of-pocket for any damage; however, your premium should be lower. Ask if there is a separate deductible for wind, hurricanes or other storm losses and, if so, how it is calculated and applied.

Required Offers. Maryland law requires every insurance company selling homeowners insurance policies in the state to offer you the ability to purchase an endorsement to the policy which, for an additional premium, will provide coverage for losses and damages resulting from water backing up through sewers and drains. You are not required to purchase this endorsement, but you should seriously consider purchasing same.

Additionally, Maryland law requires every insurance company selling homeowners insurance policies in the state to offer you the ability to purchase an endorsement to the policy which, for an additional premium, will provide liability coverage for licensed day care providers.

Do not buy an insurance policy based solely on its price. Consider the coverages, the limits, and the service. You may want to ask friends and neighbors about their experiences with their insurance carrier(s). Select an insurer and/or producer you feel you can trust and are comfortable dealing with.