

Here's the information that you requested!  
Special Report for homeowners...

Insurance Insider  
Reveals Little Known  
Secrets:

**9 Ways You Can  
Save Money On**

**Your Homeowners Insurance – And Provide *Better*  
Protection For Yourself And  
The People You Love!**

By Daniel Delgado

Dear \_\_\_\_\_,

Is insurance confusing to you? For many people it is.

I've heard people say, "they (the companies) make the policies too hard to understand, you need to be a lawyer to read it". This may be true but at the least you need to know the basics.

I'm a licensed (A065236) industry insider, and have been for 15 years. Insurance is my job; my employers are my clients.

I've sold insurance. I've studied it. I've discovered what makes "good insurance" and what makes "bad insurance".

Over the next few pages I will introduce to you – not only ways to save money but also I will provide you with an overview of standard coverages.

However, you'll discover that the most important parts of this report are not the money saving ideas. What's important is having a basic understanding of coverages. The items you need to take notice of are marked with a **warning**.

Also, when you see *Italics*, these are words or phrases that can be looked up in the table of content section of your homeowner's policy.

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Umbrella

## **Part One – Your Policy**

### **Let's Look At The Basic Policy Coverage's, These You Should Be Familiar With!**

The most popular of all homeowner's policy forms is the HO-3. This is the form we will review.

Insurance companies must declare Who (named insured), where (residence premises), when (policy period) and what (described below) is being insured. They do this on what's called a declaration page. You receive a new declaration page every year to reflect the changing policy period as well as other changes that may have occurred.

#### **Coverage A – Your Dwelling**

Simply, this is your house and all of its attachments at the insured location. Covered losses are paid at replacement.

#### **Coverage B – Other Structures**

These are the structures that are unattached from the dwelling by a clear space.

**Warning**, unattached structures used in whole or in part for business (or rented) are **NOT** covered – call your agent.

#### **Coverage C – Personal Property**

Covers contents owned by an insured, worldwide, on an actual cash value bases (ACV). ACV means

The “*Special Limits*” section of your policy should be reviewed. This section outlines the limits of coverage for specific items. For example, jewelry is limited to \$1,000 for loss by theft. The *Scheduled Personal Property endorsement* can be used to increase these coverage limits.

#### **Coverage D – Loss of Use**

If you have a covered loss that makes your home unfit to live in, your policy will cover the additional living expenses you incur. This means any necessary increase in living expenses you incur. Including but not limited to, hotel costs, additional food cost, additional close cleaning cost etc.

#### **Coverage E – Personal Liability**

If a claim is made or a suit is brought against an insured for damages because of a bodily injury or property damage caused by a covered occurrence. Your insurance company will pay up to the limit of liability for damages for which the insured is legally liable. Your policy will also provide a legal defense.

## **Nine ways to save on your homeowners insurance**

You can save money on homeowners insurance a number of ways. Discounts from your insurance company are available for a wide variety of reasons, ranging from the type of building material used to build your home to how close you live to a fire station. These discounts will vary by state and insurance company.

Here are 9 ways you can save money on your homeowners policy.

### **1. New House**

This discount applies to homes up to ten years old. The discount for a new home can be as much as 20%. Also available for newer homes is the Building Code Effectiveness Grading. This grade is based on the adequacy of a community building code and the effectiveness of its enforcement.

### **2. Look for private insurance first**

If you live in a high-risk area — one that is especially vulnerable to coastal storms, fires, or crime — and think you'll be forced to buy homeowners coverage from your state's high-risk insurance pool, check first with an insurance agent or company representative. You may find that you can still buy insurance at a lower price in the private insurance market than from the insurer of last resort.

### **3. Location**

The proximity of your home to a fire department and fire hydrants will have a major impact on the cost of your home. You will receive the best rate if you are within 5 miles of a fire station and 1000 feet of a fire hydrant.

### **4. Construction**

If you are building a new home consider the material used in its construction and the effect that they will have on your insurance premiums. Masonry homes cost less to insure than frame dwellings. A house built with non-combustible materials in the exterior walls and floors and roof is more fire resistant and many times will qualify for additional premium savings.

### **5. Improve security and safety**

Items such as central station reporting burglar alarms and/or fire alarm, and automatic sprinklers can usually bring discounts of 5% to 13% depending on the company. If you're thinking about buying such a system, check with your insurer to see which systems they recommend and which you'll get a discount from.

### **6. Raise your deductible**

The deductible is the amount of money you have to pay towards a loss before your insurance kicks in. Typically, deductibles start at \$500. Optional higher deductibles are available. As an option, many companies offer higher hurricane deductibles. Read your policy, some companies require a minimum deductible for

hurricane protection of up to 10% of the amount of insurance on the home (coverage A). Most importantly, make sure you can afford to pay the higher deductible out of pocket if something should happen.

**7. Windstorm Protective Devices**

When a policy covers the peril of windstorm. Most companies will give you a premium credit if you have storm shutters designed and properly installed to meet company guidelines.

**8. Consider buying your home and auto policies from the same company**

Many companies will give a multiline discount if you buy both homeowners and auto coverage from them.

**9. Insure your home, not the land**

While your home and its contents are at risk from fire, theft, windstorms, and other perils, the land your home sits on is not. Don't include the value of the land in deciding how much homeowners insurance you need to buy.

## **Part Two – The Companies**

### **Beware - Florida Only Companies!**

Would you be surprised if you discovered that the three leading homeowners insurance companies in the state of Florida have been legally separated from their parent companies? In other words, if one of these companies writes your policy in Florida and you also have a policy with that company in another state. You are actually insured with two different corporations. This has become a common practice in states where there is a greater risk of catastrophe. Two things concern me about this.

1. Consumers not being aware of the separation from the parent company.
2. Consumers not realizing they don't have the full financial backing of the parent company.

Setting up Florida subsidiaries goes against the industry practice of becoming a nationwide company to spread the risk. "The performance of that subsidiary is clearly isolated and you have much more compelling argument when you go for rates"(this quote refers to an insurance company filing with the insurance commissioner for a rate increase) said Brian Sullivan, editor of Property Insurance Report, an industry newsletter.

### **How Experienced Is Your Company?**

Not too many years ago getting homeowners insurance in Florida was not an easy task. Following hurricane Andrew several companies went out of business, many companies cancelled policies, while the rest no longer wanted new business. For this reason the Florida Residential Property and Casualty Joint Underwriters Association (RPCJUA) was

formed, it is an insurer of last resort. Consumers need a place to purchase coverage and the state came though.

Hundreds of thousand of homes were insured by the RPCJUA. Ever since then the RPCJUA have been looking for ways to get insurance companies to take over these policies. This turned out not to be and easy task, leading to JUA to offer (to insurance companies) first \$100 per policy taken; then \$200 or more per policy taken over by an insurance company. While doing this, RPCJUA has successfully reduced its policy count to approximately 100,000.

The Problem is, many of the companies that took policies out of the JUA are “start up” companies. Previously, they never existed. Some are so new that they have never been though a catastrophe, and have never paid a hurricane claim. Many also have a high concentration of their policies in South Florida. Which puts the stability of the company in question. Companies should have policies spread around all of Florida; this will decrease the chance of the company becoming insolvent.

If you were previously insured buy the RPCJUA, and were switched to an insurance company. Check the companies rating though AM Best (Reference – public library). AM Best will only rate a company that has been operating for at least five years.

## Is Your Insurance Company Non-admitted?

If standard (admitted) companies would not provide coverage for consumers many times non-admitted (surplus lines) companies will. Surplus lines insures respond to the unmet needs of insurance consumers.

These companies are certainly preferred to the RPCJUA. However, surplus companies are unregulated. This means that neither the rates nor the policy coverage’s are filed or approved insurance department. Also, the **Florida Insurance Guarantee Association does not provide any coverage for claims if a surplus lines company goes bankrupt.**

Before receiving coverage from a surplus lines (non-admitted) insurance company your agent must first apply for and receive rejections from three licensed insurers. The agent also must inform you that the company he/she is placing you with is a non-admitted insurance company.

If you are not positive as to the status of your company, call your agent. Remember, the sign on the agents door does NOT guarantee the company you are being insured with is admitted. Many agents have a limited number of policies they can write in their primary company and are forced to use non-admitted companies. *Most homes in our area can be insured through an admitted carrier.* Make sure you know what type of company is protecting you home.

# Deductibles and Hurricane Coverage

## Flood

### Why Would I Give Away My Inside Secrets?

That's a fair question, and I want to answer it honestly and truthfully.

Because it's good for you and it's good for my business. Period.

You see I'm willing to give away a lot of my knowledge to members of the community. Knowledge that's taken me years to accumulate, organize and perfect.

And I have found – time and time again – that generosity and the willingness to provide really great service comes back to me; tenfold.

In fact, that is how I've built my business.

Right now, let's talk about three of the most important things you can do to protect your financial well being for yourself and your family:

- 1. Have an insurance specialist conduct a risk analysis on your home, car and family.**

You live in the real world. Your life probably has more risk than you dreamed of.

And everyone is different!

You could be placing yourself and your family wide open for financial disaster – unless you have had someone help you analyze your risks. And put together a comprehensive insurance plan to protect you.

Our office will do that for *free*.

- 2. Use an *independent* insurance agent.**

I'll be blunt about this. I know how this industry works. Like I said, there's a lot of money in the insurance industry, and you want to make sure it works for you.

So you *don't* want an insurance company *employee* for your agent.

You want someone who's going to work for you!

Not somebody whose paycheck is tied to one *company*, But someone who can shop the market, compare price and get the most comprehensive coverage for you – maybe even multiple companies for your total family protection.

You want a good price? And you want *protection* when a disaster strikes! **Use an independent agent.**

**3. Don't trust the financial protection of your family to an insurance agent who is not a specialist with automobile insurance.**

Listen, insurance is a *huge* industry, There's insurance for anything.

Anything you can have, do, manage or whatever – there's insurance for it.

And nobody can specialize in all of it.

In fact, a *Professional* agent can only specialize in a few niches – and fully understand them.

Insurance is a very technical business. Policies, coverages, endorsements, exclusions...

I've studied in detail:

- Which auto insurance companies give the **best rates** in our community?
- Which auto insurance companies give the **most discounts** in our community?

I'm not on the payroll of any of those companies; my clients are my employers.

When is the last time a professional reviewed **and explained** your coverages, and made suggestions to improve you protection?

How would you like that kind of information?

**How would you like to know that you really are going to have a more secure future for yourself and your family?**

Don't you deserve it?

I'll help you – FREE!

Why?

Why would I spend my time revealing what's taken me years to learn – at no charge?

I'll tell you why.

Because I've built my business on my reputation I find that the more I give away, the more that comes back to me.

I never hard sell insurance. I'm in the *service* business. And the better *service* I give, the better it is for all of us.

My clients stay with me a long time – and they refer their friends.

And frankly, I get a lot of clients by being generous.

I happen to think I serve the families in our community better than anyone in this area. That's partly because I spend a lot of time with them.

So if you want to protect yourself and your family from a future crisis or catastrophe ... or you have questions and/or want to understand your coverage's and how they protect you... or you just want to see if you can save money on your insurance, call my office.

The worst thing you will do is spend a few minutes learning.

Very Truly Yours,

Dan Delgado

P.S. To find out if you and your family are adequately protected from financial disaster – or just want to see if you can **save money on your insurance** – call my office at the number below. We'd be glad to help!