

# Making the Most of Your Money

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## Homeowners Insurance: How to Buy



Buying a home is the largest purchase many Americans will ever make. Naturally, buyers want to protect their purchase as much as possible. What should you consider during the process of buying homeowners insurance?

### **Conduct Research**

Meet with an area builder to learn the cost of replacing or rebuilding your home. Make some notes on what you want for coverage. What parts of the home do you want covered for loss? If you are not sure, ask prospective insurers what ranges of coverage they provide.

### **Comparison Shop**

Reaching out to multiple insurers can increase awareness of insurance policies, and save you money. Different insurers offer similar coverage for varying rates. Ask what they consider when determining premiums. Many companies look at an applicant's occupation, age, type of home and living conditions.

### **Negotiate Price**

Once you have received baseline estimates from various insurers, follow up with those whose policies interest you. Ask if they offer any discounts, and request that the companies apply the discounts to your policy. The discounts may not seem like much money initially, but they do add up over time. After considering several options, select the policy and company that meets your needs and budget.

### **Stay Current**

Before filing a claim, reread your policy so you understand the coverage. If you make a change to your home, notify your insurer so that the company can cover the addition or modification and amend the policy.

*Disclaimer:* The views expressed in this article are the opinions of the author and should not be interpreted as individualized investment advice. Investment objectives, risk tolerances and the financial situation of individual investors

may vary. Please consult your financial and tax advisors before investing.

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