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HOW TO LOWER RISING INSURANCE RATES

HAVE YOU NOTICED AN INCREASE IN YOUR HOMEOWNERS INSURANCE COSTS?

The insurance market is currently experiencing what's known as a "hard market." This means that insurance companies are raising rates and restricting their capacity and willingness to accept new or increased risk classes, making it more difficult and expensive for you to get the coverage you need.

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WHAT'S CAUSING THE HARD MARKET?

Over time, the state of the economy and the frequency of claims hurt the insurance industry's profits. When claims are happening more frequently and higher claims payouts occur over a period of time, insurance providers will begin to pull back from some markets and increase their premiums.

Other factors include:

1. Record-setting insured losses from storms and other natural disasters
2. Increased construction material and labor costs due to inflation
3. Supply chain challenges

Even if you haven't submitted a claim recently, your rates may still be increasing. Premium increases are tied to the state of the insurance market overall, not just your specific coverage and claims history. However, there are some things you can do that may save you money.

Keep reading for five money-saving hacks.

5 HACKS TO CUT YOUR COSTS

1. SHOP AROUND

If you're homeowners insurance rates are getting to be too costly, you can first try shopping around for lower premiums from different insurance carriers. Regardless, experts recommend shopping for homeowners insurance once a year to make sure you're getting the lowest rates possible. You should get at least three quotes from other providers.

2. REVIEW & ADJUST YOUR POLICY

Take a look at your policy and see if you truly need all the coverage you're paying for. While you don't want your property to be underinsured, you also don't want to be paying for things you don't need.

If you're not sure how much coverage you need, you'll need to figure what it would cost to rebuild your home. To do this, you can check with a local real estate agent or builders association and ask about the per-square-foot building costs in your area. You'd then multiply that figure by the total square footage of your home and any outbuildings on your property. You should also review your personal property policy.

3. BUNDLE YOUR HOME & AUTO INSURANCE

We've all seen Flo talk about bundling your home and auto insurance in the Progressive commercials. Progressive and many other insurance providers will discount your home insurance costs by bundling it with auto insurance.

However, because it's not always cheaper to bundle, you should get several quotes with the same coverage limits and deductibles to compare.

4. RAISE YOUR DEDUCTIBLE

Typically, the higher your deductible, the lower your premium. If you're able cover more out of pocket if you have to file a claim, you could save on your month-to-month costs.

5. WORK ON YOUR CREDIT SCORE

In most states, including Minnesota, insurance providers take your credit score into consideration when determining your premium. If your credit score is lower, boost it by building your credit file, avoid missing payments, catch up on any past-due accounts, pay down revolving account balances, and limit how often you apply for new accounts.