



WHAT IS THE

AMERICAN

DREAM?

HOME OWNERSHIP

Realtors are the experts!

Let's add value for your clients.





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WHAT REALLY MATTERS







TRUE OR.....FALSE?

Houses built in Horace and Fargo have the same floor plan and builder. They will have the same home insurance premium.



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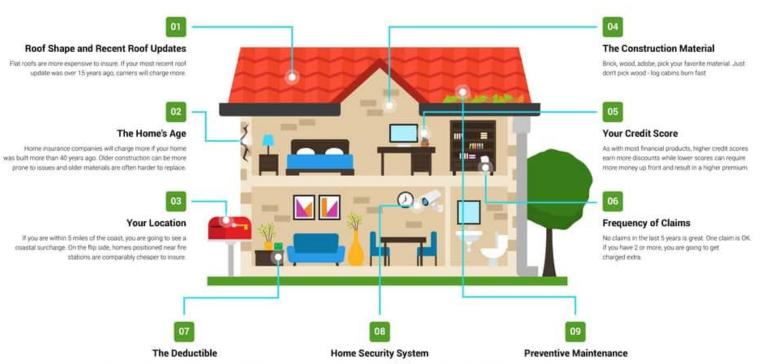
YOUR INSURANCE SCORE MATTERS



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9 Major Factors

That Determine the Cost of Home Insurance

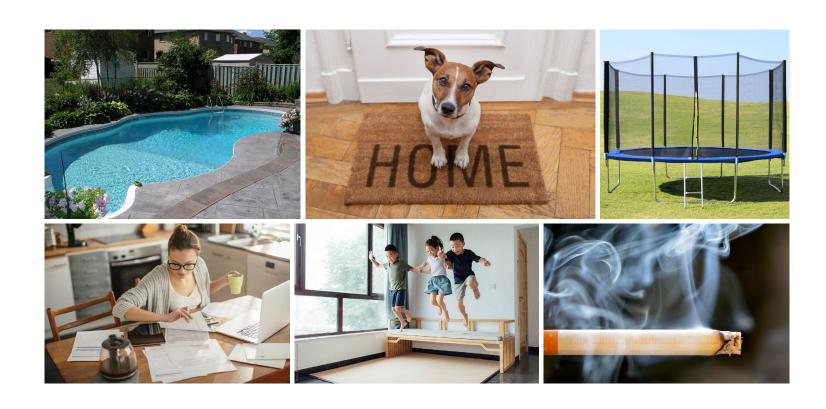


Home insurance providers slash premiums by upwards of 15% for customers with higher deductibles, so compare the difference in price between a \$500, \$1,000, and \$2,500 deductible policy. Homes with security systems or other smart home devices are less likely to see a burglary claim. Simple.

Home improvement projects are great. Clean your gutters, update your roaf, and get your heating unit checked from time to time.

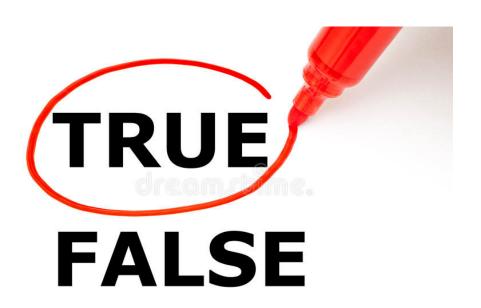


WHAT ELSE DETERMINES HOME RATES?



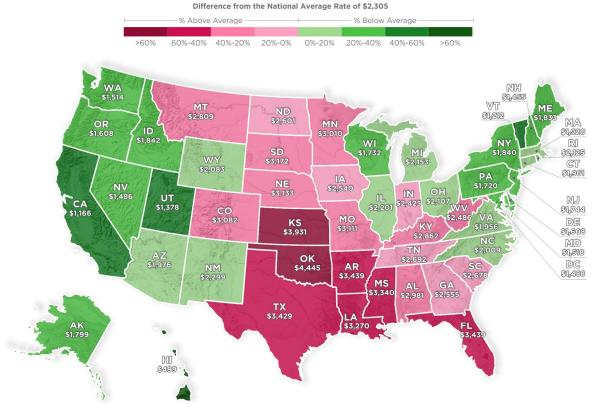
TRUE OR FALSE?

Homeowner's association by-laws affect the type of insurance policy your client needs.

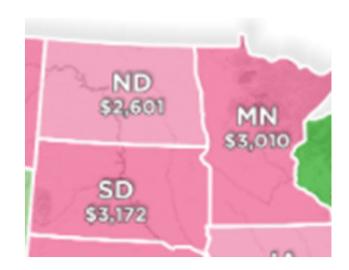


Homeowners Insurance Rates in 2020

Average Rate and Difference from the National Average by State



AVERAGE COST OF HOMEOWNERS INSURANCE



Article & Sources: https://howmuch.net/articles/homeowners-insurance-rates-2020 Source: Insurance.com - https://insurance.com @US base map - geosupport.sk, 2019 CC-BY - http://geosupport.sk/?page_id=81

howmuch.net

HOW DO CLAIMS AFFECT YOUR HOME PREMIUM?



C.L.U.E. REPORT



TRUE OR FALSE?

Water claims are the most common cause of loss on home insurance



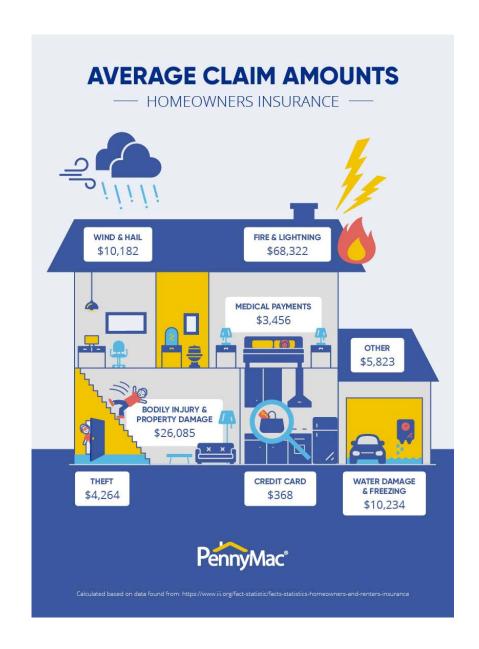
True

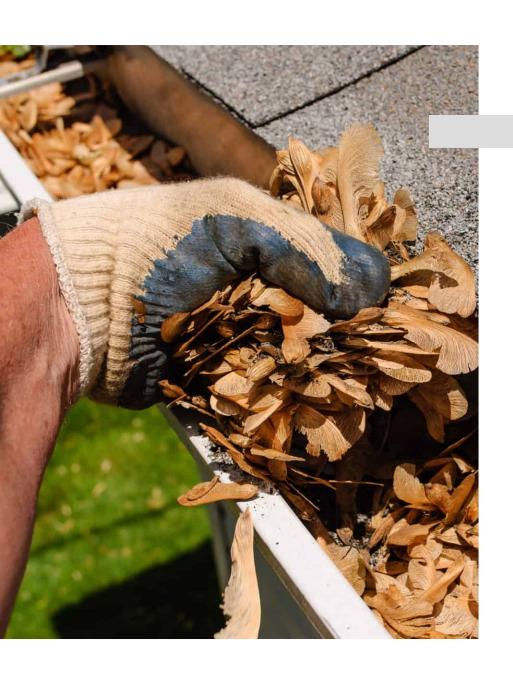
False



Property damage from water is the most common homeowner's insurance claim, followed by wind and hail, fire and lightening and theft, which all combined accounted for 98.1 percent of those claims.

(Jan 14, 2021)





CLAIM PREVENTION

- **❖** Have a fire extinguisher
- Check smoke alarms monthly
- **❖** Keep walkways clear
- **❖** Get rid of the trampoline
- * Keep gutters clean
- ***** Anchor larger outdoor items
- **❖** Trim tree limbs

OPTIONAL COVERAGES



Water Backup/Sump Pump Failure Scheduled Items (jewelry, cameras, firearms, etc.)

Increased Replacement Cost (25%, 50%, 100%)

• Guaranteed Replacement

Equipment Breakdown

Service Line Coverage

Better Roof Replacement

Undamaged Siding and/or Roofing

Identity Theft Expense Coverage



RISK RATING 2.0 IS EQUITY IN ACTION – OCT 1, 2021, FOR NEW BUSINESS

Things that are changing:

- No more grandfathering (fewer than 5% of flood policies are grandfathered)
- No more zone rating, like PRP, B, C, D
- Number of floors, not including basements, enclosures, crawlspaces
- No longer submitting for rate nor using BFE
 - o Building occupancy
 - Height of the first floor or the house not basements nor crawl spaces
 - Number of floors
 - Distance to flooding source and flood type
 - Construction type wood or metal, etc.
 - Cost to rebuild
 - o Prior claims
 - Elevations considered for properties
- Under the new pricing methodology, an EC will no longer be required for rating
- ECs can be used to determine the structure's elevations, including the first-floor elevation above ground level
- ECs may still be required to comply with local floodplain management regulations

RISK RATING 2.0 IS EQUITY IN ACTION – OCT 1, 2021, FOR NEW BUSINESS

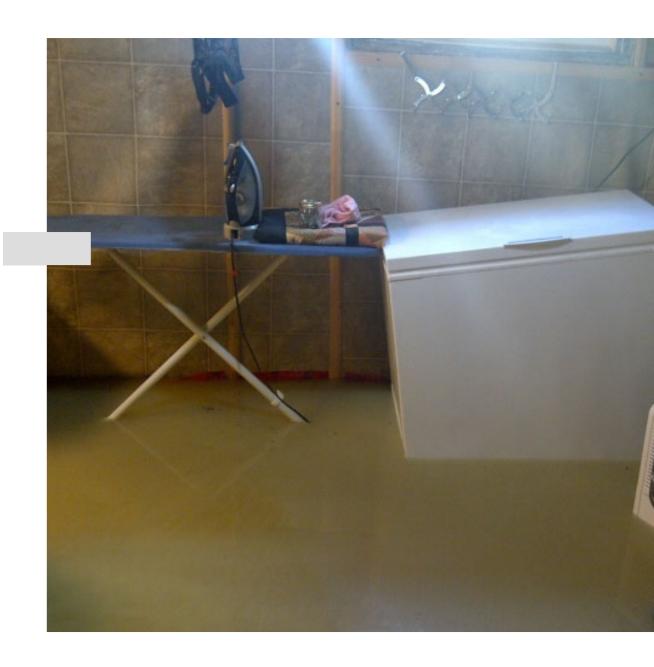
Things that are NOT changing:

- LOMAs and LOMRs still exist
- Policies can be transferred with a home sale
- Lenders can require flood insurance with FIRM information, with a 30-day wait or waived for a loan
- Subject to 18 25% increases
- Policies will not lapse if renewed within a 30-day grace period

FEATURES	NCIP	NFIP	COMMENTS
Compliant with state insurance law?	~		NFIP – Is unregulated and can ignore consumer protection statutes.
Increased cost of materials?	~		NCIP – Due to catastrophe caused shortages
Can cover commercial property?	~	~	
Additional living expense?	~		NCIP - up to certain maximums
Debris removal?	~	V	
Contents in basement covered?	~		NCIP - up to certain maximums
Replacement cost on dwelling available?	~	~	NFIP - only under certain conditions
Replacement cost on contents available?	~		NCIP - "New for Old"
Limits up to \$5,000,000?	~		NFIP - only \$250,000 Residential \$500,000 Commercial
\$5,000,000 Stop Loss Limit Option?	~		NCIP – allows risks between \$5 mil and \$20 mil in values to receive a \$5 mil limit with no Coinsurance Penalty.
Option to cover Earthquake?	~		
Option to cover Flood?	~	~	
Option to cover Landslide?	~		
Coverage becomes effective 15 days after policy inception for the peril of Flood?	~		NFIP – requires a 30 day wait after policy inception before flood coverage is in force.
Waiting period waived for mandatory purchase requirement at loan closing?	~	~	
Broad definition of Flood?	~		NFIP requires inundation of at least 2 acres or 2 structures to trigger coverage. NCIP has no such limitation.
Optional deductibles for Flood?	~	~	
Option to cover rental property?	V	~	
RCV available on secondary dwellings?	~		
Option to cover course of construction?	~	V	
Decks covered?	~		
Multiple buildings can be covered under one policy?	V		NFIP – Separate policy required for every structure, this will often create unnecessary expense for the consumer.
Carports covered?	~		

TRUE OR FALSE?

All personal property in your basement is covered on your flood insurance policy



FALSE

What IS covered as *personal property* in your basement?

- ✓ Washers and dryers
- ✓ Food freezers and the food in them (but not refrigerators)
- ✓ Portable and window air conditioners

Items covered as building property in your basement include:

- ✓ Foundation walls
- ✓ Central air conditioners
- ✓ Drywall
- ✓ Electrical outlets, switches, and circuit breaker boxes
- ✓ Fuel tanks and the fuel in them
- ✓ Furnaces, hot water heaters, heat pumps, and sump pumps





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