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/Homeowners insurance premium comparison



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Homeowners Insurance Premium Comparison

A survey of costs for homeowners,
renters and condominium unit
insurance



A publication of the
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Company	Market Share(1):	Wood Frame Dwelling				Masonry Dwelling			
		Aurora	Denver	Junction	Sterling	Aurora	Denver	Junction	Sterling
Homeowners Insurance (HO-3 Policy Forms):									
State Farm Fire & Casualty Co	7.32%	\$864	\$1030	\$538	\$ 958	\$785	\$ 955	\$471	\$ 875
Fire Ins Exchange(2)	4.89%	772	892	455	744	718	830	423	692
Allstate Ins Co(3)	4.76%	732	999	393	903	673	920	393	903
Continental Ins Co	1.85%	781	992	443	780	749	913	406	778
Hartford Underwriters Ins Co	1.56%	476	592	302	532	449	557	284	501
American Family Mutual Ins Co	1.20%	744	895	574	740	712	855	550	704
Republic Ins Co	1.19%	655	825	351	790	626	786	336	752
Travelers Indemnity Co of IL	1.10%	670	781	369	891	610	721	332	807
United Services Auto Assn	0.90%	663	842	458	663	597	758	412	597
AMCO Ins Co	0.70%	580	750	339	731	538	695	315	678
Prudential P&C Ins Co(4)	0.69%	687	812	372	802	652	763	346	748
SAFECO Ins Co of America	0.69%	694	877	373	909	639	807	373	909
Vigilant Ins Co	0.67%	644	733	502	736	644	733	502	736
West American Ins Co	0.65%	626	723	375	788	563	651	340	713
Federal Ins Co	0.61%	814	932	630	936	814	932	630	936
Liberty Mutual Fire Ins Co	0.58%	644	825	370	606	585	759	332	564
St. Paul Guardian Ins Co(5)	0.50%	627	876	388	617	566	789	351	557
Amica Mutual Ins Co	0.46%	775	998	551	791	775	998	551	791
Colorado Farm Bureau Mutual Ins Co	0.45%	870	1018	505	848	800	932	467	781
Allied P&C Ins Co	0.43%	551	713	322	695	511	660	230	644
Metropolitan Property & Casualty Ins Co	0.41%	823	1053	420	816	782	1001	400	776
Northern Assurance Co of America(3)	0.39%	636	804	368	697	636	804	368	697
National Farmers Union P&C Co	0.38%	725	867	336	729	661	808	296	663
Great Northern Ins Co	0.36%	606	688	473	691	606	688	473	691
Shelter Mutual Ins Co	0.35%	700	794	402	698	636	738	354	639
Trinity Universal Ins Co	0.31%	581	754	304	650	554	717	304	650
Armed Forces Ins Exchange	0.28%	718	904	485	657	646	813	436	592
State Farm General Ins Co	0.26%	992	1183	617	1101	901	1097	541	1005
Renters Insurance (HO-4 Policy Forms):									
State Farm Fire & Casualty Co	1.49%	\$185	\$221	\$157	\$177	\$185	\$221	\$157	\$177
Prudential P&C Ins Co(4)	0.64%	183	240	169	184	183	240	169	184
Fire Ins Exchange	0.64%	155	184	134	150	155	184	134	150
American Family Mutual Ins Co	0.39%	172	226	154	154	172	226	154	154

Footnotes:

(1) Market share figures are for the total market, combining all residential homeowners, renters, and condominium markets. For example, a 2 represents 2 percent of the combined market. Premiums quoted are 1996 premiums.

(2) Comprehensive Personal Liability coverage = \$300,000

(3) Contents replacement cost coverage = \$112,000

(4) Rates include mandatory 2% Wind & Hail deductible

(5) Deductible = \$300; Medical Expense Liability coverage = \$5,000

Company	Market Share(1):	Wood Frame Dwelling				Masonry Dwelling			
		Grand				Grand			
		Aurora	Denver	Junction	Sterling	Aurora	Denver	Junction	Sterling
Renters Insurance (HO-4 Policy Forms):									
Allstate Ins Co	0.28%	\$160	\$198	\$160	\$160	\$160	\$198	\$160	\$160
Federal Ins Co	0.12%	158	181	172	158	158	181	172	158
SAFECO Ins Co of America	0.11%	146	146	143	146	146	146	143	146
Travelers Indemnity Co of IL	0.09%	190	239	190	190	190	239	190	190
Vigilant Ins Co	0.06%	136	155	148	136	136	155	148	136
Hartford Underwriters Ins Co	0.06%	223	274	260	223	203	247	233	203
Shelter Mutual Ins Co	0.03%	158	205	177	166	158	205	177	166
Metropolitan Property & Casualty Ins Co	0.03%	269	321	235	238	269	321	235	238
Liberty Mutual Fire Ins Co	0.03%	171	206	145	162	171	206	145	162
Continental Ins Co	0.03%	178	218	155	201	163	198	143	184
Colorado Farm Bureau Mutual Ins Co	0.03%	211	281	215	211	192	255	194	192
West American Ins Co	0.03%	236	288	244	236	212	319	220	212
AMCO Ins Co	0.03%	165	207	165	165	157	197	157	157
United States Fidelity & Guaranty Co	0.03%	174	211	192	187	155	191	174	167
Amica Mutual Ins Co	0.03%	171	228	172	171	154	206	156	154
Condominium Insurance (HO-6 Policy Forms):									
State Farm Fire & Casualty Co	0.94%	\$184	\$218	\$161	\$169	\$184	\$218	\$161	\$169
Fire Ins Exchange	0.45%	140	164	118	133	140	164	118	133
Allstate Ins Co	0.27%	205	252	205	205	205	252	205	205
American Family Mutual Ins Co	0.16%	252	236	187	188	252	236	187	188
United Services Auto Assn	0.14%	139	168	137	137	133	161	132	132
Hartford Underwriters Ins Co	0.11%	283	347	328	283	256	314	294	256
Continental Ins Co	0.07%	182	225	158	207	166	203	145	189
USAA Casualty Ins Co	0.07%	167	209	165	165	160	198	158	158
Travelers Indemnity Co of IL	0.06%	146	174	190	206	140	167	175	200
Prudential P&C Ins Co(4)	0.05%	199	262	185	200	199	262	185	200
Republic Ins Co	0.04%	156	156	156	156	140	140	140	140
AMCO Ins Co	0.04%	162	195	162	162	156	187	156	156
Liberty Mutual Fire Ins Co	0.03%	247	294	215	226	247	294	215	226
Amica Mutual Ins Co	0.02%	195	262	198	195	175	236	178	175
St. Paul Guardian Ins Co(5)	0.02%	222	262	196	205	222	262	196	205
Metropolitan Property & Casualty Ins Co	0.02%	208	248	183	184	208	248	183	184
West American Ins Co	0.02%	260	350	271	260	231	316	242	231

percent market share in renters insurance means the company's premium volume in that product line

About this guide

This guide provides price comparisons on three types of homeowners policies: 1) HO-3, homeowners insurance for owner-occupied dwellings to insure the dwelling, personal property and general liability of the owner, 2) HO-4, renters insurance covering the personal property and liability of tenants, and 3) HO-6, condominium unit owners insurance designed to cover personal property and liability, the interior portion of the condominium, and loss of use.

The figures quoted in this guide were drawn from a 1996 survey of insurance companies that write more than 90 percent of the homeowners insurance products in Colorado. The list of companies included in the guide, however, is not all-inclusive and is not meant to be an endorsement of any one company. Approximately 195 carriers provide homeowners insurance in Colorado. Consumers are encouraged to shop around for prices and service. The companies quoted in this guide were asked to provide annual premium quotes for policies with the following limits:

Homeowner Insurance

Dwelling Replacement Cost:	\$160,000
Deductible:	250
Contents Replacement Cost:	120,000
Personal Liability:	100,000
Medical Expense:	1,000

Renters Insurance:

Deductible:	\$ 250
Contents Replacement Cost:	30,000
Personal Liability:	100,000
Medical Expense:	1,000

Condominium Unit Owners Insurance:

Deductible:	\$ 250
Contents Replacement Cost:	60,000
Personal Liability:	100,000
Medical Expense:	1,000

Homeowners Insurance

A homeowners insurance policy (HO-3) can provide comprehensive protections against damages to a house and its contents. Covered perils include hail, fire, windstorm, vandalism, and theft. Your policy can also provide liability coverage for injury to others or damage to the property of others that you or a member of your family might cause.

Consumers should have a minimum coverage of at least 80 percent of the replacement cost of their home. With replacement cost coverage, no reduction is made for depreciation and losses are settled for the full cost of repair or replacement, subject to policy limits and the applicable deductible. Eighty percent is the minimum coverage usually required by companies providing replacement cost coverage, though some use 90 or 100 percent as the cutoff point. Typically, if you carry insurance equal or greater than 80 percent of the replacement cost, and your home is partially destroyed, your company will reimburse you for the full cost of repairs, provided it does not exceed the face amount of the policy. This can be helpful in the event of a partial loss, which is the kind of loss most people incur. If you don't insure to 80 percent, your loss may be settled for significantly less than replacement cost.

Consumer Tips

1. First, shop around. This guide illustrates that prices for identical coverage can vary greatly among insurers. Talk to several agents before purchasing.
2. Read your policy. Pay special attention to the exclusions.
3. Take the highest deductible you can afford. While a \$250 deductible is generally standard, a higher deductible can save money on premiums.
4. Ask your agent or company if you are eligible for any discounts. Many companies provide a discount if you install a smoke detector or burglar alarm system.
5. Purchase replacement cost coverage for your home rather than actual cash value. The cost difference is small.