



Traditions Residential Lending

TEXAS HOMEOWNER'S INSURANCE PRICE COMPARISONS

The following information has been compiled by the Texas Department of Insurance (<http://www.tdi.state.tx.us/consumer/home.html>) and is provided to you by Traditions Residential Lending in order to assist you in the complete homebuying process.

Texas law does not require you to purchase homeowners insurance. However, your lender will require you to maintain a homeowner's insurance policy for the duration of your mortgage. If you have an escrow account, the annual insurance premium will be a component of your mortgage payment along with your property taxes.

It pays to shop around and get several quotes for your homeowners insurance as rates vary from company to company. It's also important to have a good understanding of the different types of policies and what will be covered in the event of a claim.

Understanding Rates

Insurance companies base your premium on factors such as the replacement cost of your home, its construction materials, the area where you live, your claims history, your credit score, and local fire protection.

How to Use the Price Comparisons

This guide can help you compare price estimates among companies that sell homeowners insurance to new customers in Texas. The table lists companies and annual price estimates for eight hypothetical homeowners with \$100,000 coverage on the house, at least \$40,000 on its contents, and a 1 percent (\$1,000) deductible.

Companies can sell several types of policies, each with a different level of coverage:

- **HO-A** policies provide extremely limited actual cash value coverage of your home and its contents; only the types of damage specifically listed in the policy are covered.
- **HO-A Amended** policies provide more extensive coverage than the base HO-A policy, but less coverage than the HO-B. For instance, HO-A Amended policies may include replacement cost coverage and coverage of damage from "sudden and accidental" water discharges. These are not covered by the base HO-A policy.
- **HO-B** policies provide replacement cost coverage for most types of damage, except those specifically excluded in the policy. In general, the HO-B policy provides the most coverage for the price.
- **HO-C** policies provide the most extensive coverage, but are more expensive than other types of policies.

Other approved policies are policies offered by companies that the Commissioner of Insurance has approved for sale in Texas. Coverage provided by these policies may differ considerably from one another. To compare coverages included in policies approved for sale in Texas, view the Office of Public Insurance Council website

<http://www.opic.state.tx.us>

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Homeowner Profiles

The homeowner profiles may not match your situation exactly, but they provide a way to compare prices. View the estimates for the homeowner profile that most closely matches your situation. The prices shown are estimates given to TDI by the companies and are based on a limited set of criteria. They are not the exact amounts you will be quoted. Your premium will vary according to your individual circumstances and will likely be higher than the estimates listed.

- **Owner 1:** Owns a new brick veneer home
- **Owner 2:** Owns a new frame home
- **Owner 3:** Owns a 6-year-old brick veneer home
- **Owner 4:** Owns a 6-year-old frame home
- **Owner 5:** Owns a 15-year-old brick veneer home
- **Owner 6:** Owns a 15-year-old frame home
- **Owner 7:** Owns a 25-year-old brick veneer home
- **Owner 8:** Owns a 25-year-old frame home

Financial Rating

A.M. Best Co.'s rating of the financial strength and operating performance of each company. Reprinted by permission. Best's ratings are subject to change and are current only as of the publication date. For current rating information, call A.M. Best or visit its website

1-908-439-2200

<http://www.ambest.com>

Ratings Classifications

A++ and A+ mean Superior

A and A- mean Excellent

B++ and B+ mean Very Good

B and B- mean Fair

C++ and C+ mean Marginal

C and C- mean Weak

NR means the company was not rated by A.M. Best.

A.M. Best Co. is not responsible for errors in presentation or content and does not endorse this publication in any way.

Complaint Index

How consumer complaints received by TDI against each company compare to the average, with an index of 1.00 as average. Below 1.00 means fewer complaints than average. Above 1.00 means more complaints than average. The complaint index is based on 2004 data. For the current complaint index, view the price comparisons on the TDI website.

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How to Find the Best Rate

Get quotes from several companies before you buy. Include independent agents in your search. Some agents only represent a single company or company group. Independent agents may represent several companies.

Consider higher deductibles. You can save money on your premiums by increasing your policy deductibles, but you'll have to pay more out of pocket if you have a claim. You'll need to have money readily available (personal savings, ability to borrow from relatives or friends, etc.) to pay your out-of-pocket expenses.

Most insurance companies offer discounts for at least some of the following items and may have others not listed here. It pays to ask the agent if you think you might have a circumstance which warrants a discount.

- Age of house
- Automatic sprinkler systems
- Burglar, fire, and smoke alarm systems
- Fire extinguishers
- Good claims experience for three consecutive years
- House insured to full replacement cost
- Impact-resistant roof
- Multiple policies with company
- Noncombustible roof
- Personal property marked with an identifying number
- Premises in good condition
- Senior citizens discount

Some companies may offer discounts if you have multiple policies, a newer home, or a good claims history.

Before You Buy a Policy, Remember

In addition to cost, consider other factors, such as the company's financial strength and complaint history.

Coverages can vary from policy to policy. Make sure you understand what coverages are included in the policy. Also, make sure your coverage is adequate to replace your house and property if they are destroyed. The amount of coverage you buy should be based on your home's replacement (rebuilding) cost, which may be different from its market value.

Don't cancel a policy until you have a new policy in effect.

Answer all questions on the application truthfully. Wrong information could cause an incorrect price quote or a denial or cancellation of coverage.

Unfair Discrimination

An insurance company cannot deny, refuse to renew, limit or charge more for coverage, or unfairly discriminate because of your race, color, religion, or national origin. A company also may not discriminate because of your age, gender, marital status, geographic location, or disability or partial disability, unless the refusal, limitation, or higher rate is based on sound underwriting or actuarial principles. This means the company must have valid evidence that you present a greater risk for a loss than homeowners it is willing to insure. TDI rules prevent companies from denying coverage based on the age and value of your home. However, companies may deny coverage because of the condition of the dwelling, including the plumbing, wiring, and heating and air conditioning systems.

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Homeowner Insurance Price Comparisons

Dallas Area

These prices are estimates based on limited criteria. Your policy will likely be different.

Company Name	Home owner 1	Home owner 2	Home owner 3	Home owner 4	Home owner 5	Home owner 6	Home owner 7	Home owner 8	AM Best Rating	Complaint Index	Consumer Phone	Policy Type
ALLSTATE TEXAS LLOYD'S	813	975	899	1,078	956	1,147	956	1,147	A+	3.09	Contact Local Agent	HO-A Amended
AMERICA FIRST LLOYD'S INS. CO.	717	853	827	984	900	1,072	1,465	1,749	A	0	Contact Local Agent	HO-A
AMERICAN NATIONAL LLOYDS INS. CO.	743	830	907	1,013	1,100	1,228	1,234	1,378	A+	0.8	Contact Local Agent	HO-A Amended
AMICA LLOYD'S OF TEXAS	732	879	888	1,067	976	1,173	976	1,173	A++	0.2	(800) 242-6422	Other Approved Policy
ARMED FORCES INS. EXCHANGE	817	981	939	1,127	1,020	1,225	1,020	1,225	A-	2	(800) 495-8234	HO-B
ASI LLOYDS	719	853	873	1,038	1,079	1,285	1,131	1,347	B++	0.47	Contact Local Agent	HO-A Amended
AUTO CLUB INDEMNITY CO.	843	1,012	1,026	1,232	1,134	1,361	1,134	1,361	A+	0	(866) 841-0146	Other Approved Policy
BALBOA INS. CO.	550	646	790	936	889	1,054	1,097	1,304	A	0	Contact Local Agent	HO-A Amended
BEACON LLOYDS INS. CO.	611	732	654	782	710	850	710	850	B-	0.71	(800) 925-7581 308	HO-A Amended
CHUBB LLOYDS INS. CO. OF TEXAS	1,561	1,868	1,640	1,962	1,671	2,000	1,671	2,000	A++	1.1	Contact Local Agent	HO-B
COLONIAL LLOYDS	669	802	743	890	743	890	743	890	NR-5	0.3	Contact Local Agent	HO-A
COMMERCIAL ALLIANCE INS. CO.	594	695	722	849	763	898	763	898	A-	0	(866) 367-3424	HO-A Amended
CYPRESS TEXAS LLOYDS	788	933	914	1,084	1,040	1,236	1,098	1,305	NR-2	0.73	Contact Local Agent	HO-A Amended
DELTA LLOYDS INS. CO. OF HOUSTON, TEXAS	866	1,039	876	1,051	968	1,161	1,019	1,222	A-	0	Contact Local Agent	HO-A
FARMERS INS. EXCHANGE	663	791	873	1,041	1,242	1,482	1,242	1,482	A	1.31	Contact Local Agent	HO-A Amended
FIDELITY NATIONAL INDEMNITY INS. CO.	739	909	781	962	864	1,067	864	1,067	A-	0	(866) 699-1885	Other Approved Policy
FINANCIAL INS. EXCHANGE	1,211	1,453	1,211	1,453	1,211	1,453	1,211	1,453	A	0	(800) 852-2244	HO-B
FOREMOST LLOYDS OF TEXAS	805	1,006	805	1,006	805	1,006	805	1,006	A	0.86	Contact Local Agent	HO-A
HORACE MANN LLOYDS	380	455	427	512	451	541	475	570	A-	0	(800) 999-1030	HO-A
IDS PROP. CAS. INS. CO.	1,260	1,512	1,394	1,672	1,483	1,779	1,483	1,779	A	0	(800) 842-3344	HO-A
KEMPER INDEPENDENCE INS. CO.	497	596	625	750	710	852	710	852	A	0	Contact Local Agent	HO-A
LIBERTY MUTUAL INS. CO.	792	950	922	1,107	1,085	1,302	1,085	1,302	A	0	Contact Local Agent	HO-A Amended
METROPOLITAN PROP. & CAS. INS. CO.	569	674	689	818	745	886	745	886	A	0	(800) 638-2886	HO-B
NATIONAL LLOYDS INS. CO.	925	1,099	925	1,099	925	1,099	925	1,099	A	1.05	Contact Local Agent	HO-A
NATIONWIDE LLOYDS	772	926	951	1,141	1,057	1,268	1,057	1,268	A+	0.83	(877) 669-6877	Other Approved Policy
NATIONWIDE PROP. & CAS. INS. CO.	541	650	709	850	984	1,181	984	1,181	A+	0	(877) 669-6877	Other Approved Policy
NEWPORT E&S INS. CO.	707	830	953	1,125	1,054	1,246	1,266	1,501	A	2.13	Contact Local Agent	HO-A Amended
PRIORITY ONE INS. CO.	556	656	634	750	634	750	634	750	A	0	(254) 773-7227	HO-A Amended
REPUBLIC LLOYDS	763	908	872	1,038	944	1,125	944	1,125	A-	0.53	Contact Local Agent	HO-A Amended

Homeowner Insurance Price Comparisons

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Company Name	Home owner 1	Home owner 2	Home owner 3	Home owner 4	Home owner 5	Home owner 6	Home owner 7	Home owner 8	AM Best Rating	Complaint Index	Consumer Phone	Policy Type
SAFECO LLOYDS INS. CO.	500	600	607	729	625	750	625	750	A	1.08	Contact Local Agent	HO-A Amended
STATE FARM LLOYDS	679	815	824	988	905	1,086	905	1,086	B+	0.49	Contact Local Agent	Other Approved Policy
TEXAS FAIR PLAN ASSOC.	744	890	744	890	744	890	744	890	NR-5	1.41	Contact Local Agent	HO-A
TEXAS FARM BUREAU UNDERWRITERS	431	515	526	629	571	683	571	683	A-	0.25	Contact Local Agent	HO-A
TEXAS FARMERS INS. CO.	556	557	689	690	967	968	1,004	1,005	A	0.66	Contact Local Agent	Other Approved Policy
TRAVELERS LLOYDS OF TEXAS INS. CO.	438	526	656	787	786	943	786	943	A+	1.03	Contact Local Agent	HO-A
TRINITY LLOYD'S INS. CO.	934	1,120	1,000	1,198	1,098	1,316	1,098	1,316	A	0	(800) 777-2249	HO-B
UNITED FIRE LLOYDS	725	846	761	889	796	931	832	974	A	2.98	Contact Local Agent	HO-A Amended
UNITED SERVICES AUTOMOBILE ASSOC.	647	734	784	888	852	965	852	965	A++	0.06	(800) 531-8080	Other Approved Policy
UNITRIN PREFERRED INS. CO.	844	1,012	1,013	1,215	1,125	1,349	1,125	1,349	A	0	Contact Local Agent	HO-B
USAA TEXAS LLOYD'S CO.	702	796	850	964	924	1,047	924	1,047	A++	0.42	(800) 531-8080	Other Approved Policy

Please visit the Texas Department of Insurance website for more information.

<http://www.tdi.state.tx.us>