8 homeowner’s insurance tips for first-time buyers

For a first-time buyer, nothing is more important than properly protecting a new investment, and that means purchasing a homeowner’s insurance policy. As the buyer’s agent, you can help build an understanding about the importance of appropriate insurance coverage.

Here are just a few tips to share with first-time homebuyers:

1. **Factor in home insurance**

When calculating monthly mortgage payments, it’s important to factor in home insurance. Just as property taxes will likely be paid out of an escrow account, so will insurance premiums.

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2. **Find an insurer early**

Finding an insurer early can give a homebuyer peace of mind. Encourage your client to shop around for a policy that best suits his or her needs. An insurance company that works with multiple providers can assist a homebuyer in comparing policies and selecting the insurance coverage.

Think of it as a one-stop comparison. The more providers a company works with, the more likely it is that your client will come away with a policy tailored to his or her specific needs.

3. **Figure out your priority**

Your client should think about what is most important in an insurance provider. Is it price, service or coverage? This can help guide your client in making insurance choices.

4. **Consider your future insurance needs when buying**

Property features can figure into the type of coverage your client needs. Consider the specific aspects of the new home. Does it have a pool? A trampoline? What about a security system?

If a home is situated in a flood plain, a homeowner will need a separate policy to cover flood risk. Even owning certain types of dog breeds can affect insurance needs.

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5. **Don't forget your belongings**

Urge your client to think about how much coverage he or she would need to protect all belongings and the structure itself against complete loss and total replacement and rebuilding.

Comprehensive coverage is the best way to ensure that a home and its contents are fully protected if disaster strikes. It's also important to know which types of belongings needs separate riders — items of high value like valuable jewelry or pricy antiques.

6. **Remember liability insurance**

Liability insurance is an important part of a homeowner's policy, as it protects an owner's assets if someone should be injured on his or her property.

7. **Bundle policies**

Bundling policies together (auto, business and life) can save a homeowner on annual premiums.

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8. **Ask lots of questions**

Understanding the ins and outs of insurance coverage is something a homeowner should consider along with the other aspects of homeownership. If you don't have the answers to a client's questions, refer him or her to an insurance expert.

Real estate agents are in the business of providing a fully satisfying homebuying experience. Becoming a referral partner with a trusted insurance firm can help round out your clients' home purchase.

Insurance companies that have established a network of professionals that include real estate agents, loan officers, real estate attorneys, as well as financial advisers can help homeowners manage every aspect of buying a new home.

This is particularly important for a first-time buyer who is just beginning to form relationships with industry professionals and is looking for people he or she can trust.

By partnering with an insurance company you trust, you can share that relationship with your clients — and it will bring you both peace of mind.

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