



JAY A. HINES
INSURANCE AGENCY

**FREE REPORT
15
CONSIDERATIONS
BEFORE BUYING
INSURANCE**

1. **Shop smart.** When looking for insurance, your No. 1 priority should be to find adequate coverage. Price is important, but you'll want to determine what kind of coverage you need first. Then you can fit that coverage into your budget and determine which carrier can provide you with the most comprehensive policy for your situation. You may be tempted to choose insurance with the lowest price tag, but if you don't have enough coverage (or the right kind of coverage), you will see less financial benefit when it comes time to file a claim.
2. **Look for discounts.** Once you evaluate your coverage needs, factor in your budget and find ways to save. Ask your insurance agent if there are any discounts on your coverage. Often, carriers offer discounts for things like paying your policy in full, staying auto accident-free or, if you're in school, getting good grades. You also can save money by "bundling" multiple policies, such as purchasing a home and auto policy from the same carrier.
3. **Fill in the gaps.** An average policy will cover the basics, but you may need to add extra coverage to meet your unique needs. For instance, you may have items like electronics or a nice piece of jewelry that would be financially difficult to replace, even with the assistance of your average renters or homeowners policy. You may want to add additional coverage for these items
4. **Purchase life insurance**—you aren't too young. Life insurance is essential, no matter how young or old you are. And for millennials, buying now may be a smart move because it's cheaper to buy a life insurance policy when you're young and healthy. This kind of insurance can help your family cover unexpected costs in your absence, including student loan debt or a mortgage, in addition to end-of-life costs. And if you have kids, a life insurance policy can also support their education or childcare expenses. Additionally, every millennial should consider long-term disability coverage, which helps you stay afloat financially if an accident happens and you become disabled and unable to work.
5. **Talk to an independent agent.** An independent insurance agent is an essential resource when purchasing insurance—especially if this is your first time. An independent agent works with multiple different carriers, which is different from captive agents who can only sell insurance from the carrier they work for. Working with an independent agent can help make sure that you are getting the best coverage, for the best price. You'll also benefit from independent agents' insurance knowledge; they know how to talk you through your options and actually explain what each policy includes. An independent agent will make sure all of your assets are covered, help you find discounts or other ways to save, and be a valuable resource as your life changes and your insurance needs change, too.
6. **Find a Reputable Insurance Company:** Protecting you and your family's assets and financial well-being is something that you depend on your insurance company to do without question. However, you can't trust your family's future to just any company without

checking it out first. Insurance rating organizations can help with this. Some of the top ones are A.M. Best, Weiss Ratings, Standard & Poor's, Fitch Ratings and Demotech, Inc. These companies will help you judge the insurance company's financial health, sort of like your insurance company's report card. Insurance rating organizations measure such things as past financial performance, financial reserves, return on investment and expected future financial performance.

7. **Shop and Compare:** In the day of the worldwide web, insurance comparison shopping is not as difficult a task as it once was. You don't have to physically go from agent to agent or even online from company to company to find the best value on an insurance policy. By using comparison websites, you can get five or more quote comparisons side-by-side so you can compare apples to apples. Many of these sites will also allow you to purchase coverage right from the comparison shopping website.
8. **Cheaper Is Not Always Better:** Cut-rate insurance prices can unfortunately also mean cut-rate customer service and claims. The old adage you often get what you pay for can sometimes be true. Of course, this is not to say that highly-rated insurance companies cannot also offer affordable insurance rates. If in doubt about how a company may satisfy customer complaints, check out its record with the Better Business Bureau. Other organizations that can help you determine an insurance company's performance include The American Customer Satisfaction Index (ACSI), J.D. Power & Associates, and customer satisfaction surveys from websites such as Insure.com.
9. **Ask the Agent for a Best Offer:** If you are using an insurance agent instead of buying directly from an insurance company, he may be giving you what he thinks is a good deal on an insurance policy. However, it doesn't hurt to ask if you can get a better price or perhaps a more comprehensive coverage package plan. Independent insurance agents often represent many different companies and would have more quotes for comparison than a "captive agent." A captive agent is one who only represents one company and will only offer you the policy options from the company he represents. Once you are given a final price if that isn't good enough, tell the agent so. Often the final price is not really the final price. Your agent may be able to go back to the insurance company and ask if a lower rate is available. Anyway, it doesn't hurt to ask...
10. **Your Agent Is Not Always the Last Word:** Insurance agents, for the most part, give good advice about the policy and coverage options you need. After all, most insurance agents receive insurance licensing and training that makes them qualified to give sound advice. However, there are abundant resources available to you if you feel you need to research your options further. It is best to make the best choice for coverage options now than to be sorry later when you have a claim and are underinsured and do not have the right coverage.

Then it is too late to get the right policy. One great resource to check out when looking for insurance knowledge is the Insurance Information Institute.

11. **You Can Upgrade Later:** There may be occasions when financial restraints may prevent you from getting the coverage options you want and need. In any case, at the minimum, you should at least buy the minimum coverage required by law from your state's Department of Insurance. Once you are more financially steady, you can upgrade your policy to include a more comprehensive coverage package. It doesn't hurt to give your insurance agent a "target premium" which would be an ideal price you would be willing to pay for insurance coverage.
12. **Tell the Truth:** Did you realize that an insurance company is not legally obligated to honor your policy and pay claims if you knowingly misrepresented the truth on your application? This includes things such as lying about how many speeding tickets or accidents you've had in the past. Getting a cheaper premium is not worth the risk of the company canceling your policy because you misrepresented the truth. Often, the company will not outright cancel your policy but will contact you for an additional premium required to maintain coverage once the rates are adjusted.
13. **Coverage Is Not Always Automatic:** If you buy a new vehicle or add additional structures to your property, they may be automatically covered for a time. However, there is a time limit to this coverage. Normally, you have a specific time frame, perhaps 30-days (this could be more or less depending on your company) to contact the insurance company and let them know of your purchase. The same goes with trading in a vehicle for another one. The coverage will transfer to your new vehicle, but only temporarily unless you notify your insurance company. Check with your insurance agent or company for the specific notification requirements of your policy.
14. **Re-evaluate Your Coverage:** Life changes come to all. When you have a significant life change, such as a major purchase, a move, getting married, getting divorced, having children, etc.; it is likely that this will affect your insurance coverage and you may need to update your coverage. Even if you've had no major life events, it is still a good idea to do an annual policy check-up with your insurance agent and make any necessary changes.
15. **Summary:** Finding the best coverage to protect you and your family from whatever life may throw at you doesn't have to be a difficult or confusing process. Use all the tools and resources you can find to make finding the right coverage a smoother process. A little homework and research will go a long way to giving you and your family the peace and security you deserve.

INSURANCE FOR YOU!

JAY A. HINES

INSURANCE AGENCY

O:(937) 738-3435, F: (937) 523-0587

117 N. Main St – Marysville, OH 43040

Email: jay.hines@jayhinesagency.com



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