

May Blog 4: The Rising Costs of Insurance // 4.26.22

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Meta Title

How You Can Save With the Rising Costs of Home Insurance | Ygrene

Meta Description

Find out more about how key home improvements can help you save with the rising costs of home insurance in Florida.

Keywords (7–10)

- Homeowners insurance Florida
- Best homeowners insurance Florida
- House insurance Florida
- Hazard insurance Florida
- Home insurance discounts
- Ways to save on insurance
- Factors that affect homeowners insurance premiums
- How to save on home insurance

Title: How You Can Save Despite the Rising Cost of Insurance

Insurance premiums are going up nationwide — but none are increasing as rapidly as those in Florida. If you've been considering a home improvement, don't let the high insurance premiums put you off. More efficient energy solutions may lower your insurance premiums and help you save on monthly expenses.

Section 1: Home Insurance Premiums on the Rise in Florida

(H1 Tag: Ways to Save with Increasing Costs of Home Insurance)

If you own a home, purchasing home insurance is non-negotiable. The details of coverage and cost vary across policies — and all those factors impact premiums. Floridians, however, are particularly burdened by higher premiums.

Litigation-related costs contribute to the growing cost. Between 2013-2020, [Florida insurers paid out \\$15 billion in claims](#), yet only 8% of that went to consumers. Attorneys, however, reaped 71% of that sum. This of course translated to higher costs for home and property owners. The Florida Association of Insurance Agents reports that Florida property owners paid \$651 more in rates in 2020 than property owners in neighboring Georgia and Alabama.

Agents and lobbyists aren't the only ones concerned about the state of property insurance and how attorney fees affect the market. In December, when the Citizens board approved the rate hike, the organization reported that the state's property insurance market was facing major challenges. It said the 52 private companies writing 79% of property insurance policies in the state lost \$847 million through the third quarter of 2021. While that was happening, Florida led the nation in litigation, accounting for 75% of all litigation. Yet Florida accounted for just 8% of all policies in 2019. "We have a litigation system that is truly, absolutely out of control," Citizens President, CEO and Executive Director Barry Gilway says.

Add to this the increasing cost of raw materials such as lumber and copper, and fewer insurance options for consumers. Competition helps lower rates, but with few players in the game, companies can get away with charging more. All these are factors that affect homeowner insurance premiums.

Section 2: Home Improvements that Can Help You Save on Insurance Premiums

If you need help financing home improvement projects and storm protection upgrades in particular, Ygrene's [PACE program](#) could be the solution for you. We can help you keep your home safe and possibly [lower your monthly bills](#). For people who live in areas that experience severe storms, storm protection means protecting your most valuable assets — your home and family. Find out if you're [eligible for PACE today](#).

Wondering how to save on home insurance? Adding home improvements can actually help lower premiums. If your house was built prior to January 1, 2002, and your roof was updated to reflect the 2002 building code, you could be eligible for a discount. Centrally monitored fire or burglar alarms can also help you qualify. And, wind mitigation discounts can apply, once verified and documented with a wind inspection.

Let's take a look at these discounts in greater detail.

Wind Mitigation Discounts

It's important to remember that [wind mitigation matters](#). When you take steps to protect your property from damage caused by storms, fire, theft, and other perils, you may be saving money on your property insurance too. Citizens offers several discounts for homes and businesses that have features installed to help protect them from severe storms and other perils. Under state law, [documentation](#) is required before any discounts can be applied. Ask a Ygrene customer service representative whether you might qualify.

Florida Building Code Compliance Discount

If your home was built after January 1, 2002, you may qualify for the Florida Building Code discount. If your home was built prior to 2002, but was updated to meet the 2002 Florida Building Code, you may also be eligible for discounts.

Roof Construction Discounts

If your home qualifies for the Florida Building Code Compliance discount, you will automatically receive discounts for roof construction. If it doesn't qualify, or you aren't sure, you may still be eligible for roof construction discounts. To know if you qualify, a roof or wind mitigation inspection may be required.

Section 3: Control Your Costs Where You Can

Even with higher premiums, it's possible to save on monthly bills — which in turn, puts more money in your pocket to go towards premiums. There are a few home improvements that can help you save each month and add resale value to your home.

Can changing your AC unit [help you save money](#) on your energy bill? The short answer is yes. An energy-efficient HVAC can use less energy, effectively lowering your energy bills. Cooling your home is one of the largest energy loads in your household, with U.S. homeowners paying a total of over \$11 billion each year to cool their homes. According to the [U.S. Department of Energy](#) (DoE), about 6% of the total electricity generated in the United States is used for air conditioning. And if you live in Florida, you already know how crucial AC can be. Installing a new air conditioning system is a big investment, but changing your AC unit can lower your energy consumption significantly and save you money on your electricity bill. DoE data suggests that replacing an old air conditioner with a modern, [energy-efficient](#) unit can save you up to 40% on cooling costs.

If you've already updated your HVAC, consider installing impact-resistant windows. Impact-resistant windows can help reduce energy costs and provide protection against windstorms and hurricanes. This in turn will help homeowners save on their insurance costs as well. Impact-resistant windows do more than just protect your home. [ENERGY STAR estimates](#) that if you replace single-pane windows with double-pane high impact windows, you could see savings between \$126 to \$465 per year in energy costs. And if you upgrade your existing double-pane windows to a high impact product, the savings are estimated to be \$27 to \$111 per year.

Section 4: Additional Ways to Save on Your Insurance Premium

Despite the escalating price of insurance premiums in the Florida market, homeowners can prioritize certain elements of their insurance coverage to save some money. Home

improvements can help control cost, but you can also do the following for additional savings opportunities.

Increase Your Deductible

[Should you increase your deductible?](#) If you have the right strategy, yes. Raising your deductible will help you save some money on your insurance costs, but not in the way you may think. If you have the money on hand and are willing to pay for damages resulting from a claim, then you can increase your deductible to save on costs. Take the savings your insurance company will give you and start saving money now. However, you don't want to make the mistake of increasing your deductible to save a few dollars a month before considering the long-term implications.

Bundle Your Policies

If you bought your car and homeowners insurance through the same carrier, that insurer will often give you a discount for having multiple policies with them. Insurers that offer bundling tend to give a 5-25% discount on each policy. Homeowners insurance typically gets the biggest discount since [your home's value](#) is likely far greater than your car's. "Most companies are really not interested" in selling just homeowners policies, says Michael McCartin, president of Joseph W. McCartin Insurance.

Carriers "have raised the rates of homeowners insurance, but offer a huge discount when you bundle everything together," McCartin says. The auto insurance discount is often a lesser percentage, but it varies by company, he says. For example, if your home and auto insurance is bundled, you might receive discounts of 10% on your auto policy and 15% on your homeowners insurance. If you bundled your auto insurance with a renters policy instead, you might see up to a 5% discount.

Bundling policies encourages a "set it and forget it" mentality, but automatically renewing year after year with the same company could come at a cost. You're less likely to check out competitors' rates if you have to switch two policies instead of one, especially if one is paid automatically through a mortgage escrow account. Prices tend to increase at policy renewal time, and they can inch up well beyond what you would pay with another company if you don't check rates online or by phone.

Of course, not all insurance companies increase premiums until their customers are overpaying, and rates are bound to increase over time with any product. What really matters is whether your current company would do so — and if you don't check, you'll never know.

Association Discounts

[Professional associations](#), or even groups such as AAA, can help you enjoy home insurance discounts. These types of discounts can even extend to college alumni associations, fraternities, and sororities, and professional organizations (like your state's bar association or a union).