

70 Ways For Home Buyers To Save Money When Buying A Home: Tip #10

Tip #10 in our series to save money when buying a house is: Use Your Own Insurance Agent.

Shop around for Homeowner's Insurance. Many times your real estate agent or your mortgage broker will tell you to use a certain insurance agent. This can be a big mistake. Even though it is illegal, many agents and mortgage companies get kickbacks from insurance companies when they send them clients.

And in many states, your agent or mortgage broker might also be an insurance agent. Like in Texas, if you have an insurance license, you can do mortgages without a separate mortgage license. You would think that in this case, your insurance would be the best deal, but in many cases it is not.

Do not just go with the insurance agent your real estate agent or mortgage broker refer you to. Check 3-4 different places to compare coverage and fees. Homeowner's Insurance is a major purchase. Make sure you use an agent that understands what you need and provides the best policy. Don't just go for the cheapest easier. Get 3-4 different quotes from different companies and then decide.

Getting your homeowner's policy from the same place you get your auto insurance might save you some money as well. My house and my car are with the same company and for that, I save 15% a year on both.

Many times, my mortgage clients come to me and do not know which insurance company to use. In that case, I give them 3 names of agents that I know are cheap and who give great service. My borrowers are then free to call all 3. Or I might call the 3 agents for them and get the quotes myself. Then the borrowers can choose whichever agent they want to go with.

I find this is a much better practice than just giving the name of one agent. I don't like my borrowers to feel any stress when they deal with me.

Even if you currently have a house an insurance agent, it is still wise to shop around. A few simple calls can save you hundreds of dollars a year.

And don't forget that in many states flood insurance is a separate policy. If you live in a state like Texas, you must have flood insurance. And your insurance agent can help you with that as well. But in many cases, the agent with the cheapest homeowner's insurance is not the one with the cheapest flood insurance. So beware.

Any time, you feel someone is steering you to use a particular company or person, you should be wary. When you buy a house, you will be paying big money. Make sure it goes to the company or person you trust and who has your best interest at heart.

Don't just choose an insurance agent because your real estate agent or mortgage lender recommend them. Shop around and save.

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