

# About this guide

This guide provides price comparisons on three types of annual homeowners policies: 1) HO-3, homeowners insurance for owner-occupied dwellings to insure the dwelling, personal property and general liability of the owner, 2) HO-4, renters insurance covering the personal property and liability of tenants, and 3) HO-6, condominium unit owners insurance designed to cover personal property and liability, the interior portion of the condominium, and loss of use.

The figures quoted in this guide were drawn from a 2002 survey of insurance companies that write homeowners insurance products in Colorado. The list of companies included in the guide, however, is not all-inclusive and is not meant to be an endorsement of any one company. Consumers are encouraged to shop around for prices and service. The companies quoted in this guide were asked to provide annual premium quotes for policies with the following limits:

Homeowner Insurance - HO-3 \*

Dwelling Replacement Cost	\$200,000
Deductible	500
Contents Replacement	160,000
Personal Liability	100,000
Medical Expense	1,000

Renters Insurance - HO-4

Deductible	\$ 500
Contents Replacement	40,000
Personal Liability	100,000
Medical Expense	1,000

Condominium Unit Owners Insurance - HO-6 \*

Deductible	\$ 500
Contents Replacement	80,000
Personal Liability	100,000
Medical Expense	1,000

\* For a 10-year old structure, equipped with dead-bolt locks and smoke/fire detectors, within 5 miles of a fire station and within 1,000 feet of a fire hydrant.

# Homeowners Insurance

A homeowners insurance policy (HO-3) can provide comprehensive protection against damages to a house and its contents. Covered perils include hail, fire, windstorm, vandalism and theft. Your policy can also provide liability coverage for injury to others or damage to the property of others that you or a member of your family might cause.

Consumers should have a minimum coverage of at least 80 percent of the replacement costs of their home. With replacement cost coverage, no reduction is made for depreciation and losses are settled for the full cost of repair or replacement, subject to policy limits and the applicable deductible. Eighty percent is the minimum coverage usually required by companies providing replacement cost coverage, though some use 90 or 100 percent as the cutoff point. Typically, if you carry insurance equal to or greater than 80 percent of the replacement cost and your home is partially destroyed, your company will reimburse you for the full cost of repairs, provided it does not exceed the face amount of the policy. This can be helpful in the event of a partial loss, which is the kind of loss most people incur. If you do not insure to 80 percent, your loss may be settled for significantly less than replacement cost.

## Consumer Tips

- First, shop around. This guide illustrates that prices for identical coverage can vary greatly among insurers. Talk to several agents before making your purchase.
- Read your policy. Pay special attention to the exclusions.
- Take the highest deductible you can afford. While a \$500 deductible is generally standard, a higher deductible can save money on premiums.
- Ask your company or agent if you are eligible for any discounts. Many companies provide a discount if you install a smoke detector or burglar alarm system.
- Purchase replacement cost coverage for your home rather than actual cash value. The cost difference is small.

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# Homeowners Insurance Premium Comparison

## A SURVEY OF COSTS FOR HOMEOWNERS, RENTERS AND CONDOMINIUM UNIT INSURANCE



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**Colorado Homeowners Insurance**

**2002 Premium Survey**

Company	Market Share <sup>1</sup>	<u>Frame</u>				<u>Masonry</u>				Company	Market Share <sup>1</sup>	<u>Frame</u>				<u>Masonry</u>			
		Denver	Pueblo	Grand Junction	Ft. Collins	Denver	Pueblo	Grand Junction	Ft. Collins			Denver	Pueblo	Grand Junction	Ft. Collins	Denver	Pueblo	Grand Junction	Ft. Collins
<b>Homeowners Ins (HO-3 Policy Forms):</b>										<b>Renters Ins (HO-4 Policy Forms):</b>									
Alliance Insurance Co Inc	0.20%	\$793	\$926	\$371	\$621	\$756	\$882	\$354	\$593	Allstate Indemnity Co <sup>2</sup>	0.10%	\$159	\$133	\$133	\$136	\$159	\$133	\$133	\$136
Allied Prop & Casualty Ins Co	0.24%	891	972	401	594	829	902	375	552	AMCO Ins Co	0.01%	225	220	214	184	214	209	204	175
Allstate Indemnity Co <sup>2,3</sup>	0.32%	1,286	1,521	672	999	1,225	1,447	644	953	American Family Mutual Ins Co	0.58%	346	291	197	197	346	291	197	197
AMCO Ins Co	0.49%	938	1,023	421	624	872	949	393	581	American Natl Prop & Cas Co	0.03%	217	178	147	159	217	178	147	159
American Automobile Ins Co	0.53%	1,182	1,159	871	1,012	1,065	1,045	788	915	Amica Mutual Ins Co	0.02%	231	173	175	173	209	156	158	156
American Family Mutual Ins Co	2.65%	1,075	1,225	617	806	994	1,132	572	746	Colorado Farm Bureau Mut Ins Co	0.02%	200	177	153	150	181	160	138	135
American National Prop & Cas Co	0.75%	903	863	467	616	848	802	431	570	Farmers Alliance Mutual Ins Co	0.02%	328	248	221	179	296	224	200	162
Amica Mutual Ins Co	0.46%	1,092	1,014	573	671	1,092	1,014	573	671	Fire Insurance Exchange <sup>2</sup>	0.49%	133	109	95	89	133	109	95	89
Armed Forces Ins Exchange	0.17%	746	921	542	662	714	879	518	633	Great Northern Ins Co <sup>4</sup>	0.01%	145	126	138	126	145	126	138	126
Automobile Ins Co Of Hartford CT	0.33%	983	1,026	426	656	896	937	389	598	Hartford Underwriters Ins Co	0.03%	301	246	284	246	272	222	255	222
Colorado Farm Bureau Mut Ins Co	0.73%	1,276	1,201	655	841	1,172	1,103	589	773	Liberty Mutual Fire Ins Co	0.01%	201	161	143	154	201	161	143	154
Country Mutual Ins Co <sup>6</sup>	0.68%	1,404	1,572	609	766	1,283	1,437	562	707	Prudential Prop & Cas Ins Co	0.01%	238	214	182	192	238	214	182	192
Economy Premier Assurance Co	0.28%	1,139	1,191	543	1,066	1,085	1,132	516	1,015	SAFECO Ins Co Of America	0.09%	194	194	194	194	194	194	194	194
Farmers Alliance Mutual Ins Co	0.10%	988	1,185	470	778	944	1,131	454	746	Shelter Mutual Ins Co	0.02%	171	133	144	133	171	133	144	133
Farmers Ins Exchange	0.43%	1,086	1,416	698	878	1,009	1,317	658	825	Standard Fire Ins Co	0.11%	310	241	241	241	295	230	230	230
Federal Ins Co	0.62%	1,182	1,187	768	897	1,182	1,187	768	897	State Farm Fire & Cas Co	1.16%	193	160	133	143	193	160	133	143
Fire Insurance Exchange <sup>2</sup>	2.78%	1,027	1,354	1,047	802	948	1,252	967	748	<b>Median Premium</b>	<b>\$209</b>	<b>\$178</b>	<b>\$164</b>	<b>\$166</b>	<b>\$205</b>	<b>\$170</b>	<b>\$153</b>	<b>\$158</b>	
Grange Insurance Association	0.14%	893	972	623	800	893	972	623	800										
Great Northern Ins Co	1.39%	848	853	557	649	848	853	557	649										
Hartford Ins Co Of The Midwest	0.05%	1,112	1,169	573	784	1,049	1,101	542	739	<b>Condominium Ins (HO-6 Policy Forms):</b>									
Hartford Underwriters Ins Co	1.85%	1,091	1,110	539	743	1,027	1,046	509	701	Allstate Indemnity Co <sup>2</sup>	0.03%	\$247	\$204	\$204	\$210	\$247	\$204	\$204	\$210
Horace Mann Ins Co <sup>3</sup>	0.17%	1,271	1,365	657	801	1,168	1,253	604	736	AMCO Ins Co	0.04%	179	176	172	153	171	168	165	147
Liberty Mutual Fire Ins Co	0.53%	1,534	1,580	825	924	1,433	1,463	753	858	American Family Mutual Ins Co	0.28%	331	204	233	209	331	204	233	209
Metropolitan Prop & Cas Ins Co	0.13%	1,497	1,655	742	992	1,418	1,567	707	939	American Natl Prop & Cas Co	0.02%	277	228	186	200	277	228	186	200
Nationwide Mutual Fire Ins Co	0.11%	1,135	1,178	803	803	1,049	1,088	742	742	Amica Mutual Ins Co	0.02%	279	208	212	208	252	188	190	188
Natl Farmers Union Prop & Cas Co	0.36%	1,299	1,655	673	1,027	1,206	1,525	593	947	Country Mutual Ins Co	0.02%	358	281	221	223	358	281	221	223
Ohio Casualty Ins Co	0.08%	1,130	1,330	590	891	1,018	1,199	533	804	Federal Ins Co <sup>4</sup>	0.08%	303	262	288	262	303	262	288	262
Prudential Prop & Cas Ins Co	0.43%	1,151	1,096	523	742	1,077	1,025	491	698	Fire Insurance Exchange <sup>2</sup>	0.49%	129	109	93	90	129	109	93	90
Republic Fire & Cas Ins Co	0.17%	764	985	359	481	727	938	340	458	Great Northern Ins Co <sup>4</sup>	0.11%	238	207	228	207	238	207	228	207
SAFECO Ins Co Of America	2.57%	1,175	1,139	568	671	1,071	1,038	516	614	Hartford Underwriters Ins Co	0.09%	383	312	360	312	345	281	323	281
Shelter Mutal Ins Co	0.60%	783	686	412	493	729	632	364	455	Liberty Mutual Fire Ins Co	0.02%	251	199	178	189	251	199	178	189
Standard Fire Ins Co	2.50%	1,046	1,092	453	698	953	997	414	636	Prudential Prop & Cas Ins Co	0.02%	274	247	210	222	274	247	210	222
State Farm Fire & Cas Co <sup>5</sup>	19.10%	1,238	1,310	626	743	1,144	1,212	579	687	SAFECO Ins Co Of America	0.10%	221	221	221	221	221	221	221	221
Teachers Ins Co <sup>3</sup>	0.21%	1,047	1,312	484	722	961	1,204	446	664	Shelter Mutual Ins Co	0.02%	212	167	179	167	212	167	179	167
Trinity Universal Ins Co	0.21%	1,073	943	470	712	1,022	898	450	678	Standard Fire Ins Co	0.12%	180	155	208	155	170	148	198	148
United Services Auto Assn <sup>7</sup>	3.43%	870	947	401	714	828	900	381	678	State Farm Fire & Cas Co	0.99%	269	222	185	199	269	222	185	199
USAA Casualty Ins Co <sup>7</sup>	1.64%	1,091	1,110	539	743	1,027	1,046	509	701	United Services Auto Assn <sup>7</sup>	0.13%	141	153	64	114	126	137	57	103
Vigilant Ins Co	0.40%	909	915	597	696	909	915	597	696	USAA Casualty Ins Co <sup>7</sup>	0.10%	167	182	77	138	152	165	69	123
West American Ins Co	0.42%	1,028	1,211	538	812	928	1,092	487	733	Vigilant Ins Co	0.04%	256	224	244	224	256	224	244	224
<b>Median Premium</b>		<b>\$1,086</b>	<b>\$1,159</b>	<b>\$568</b>	<b>\$743</b>	<b>\$1,018</b>	<b>\$1,046</b>	<b>\$533</b>	<b>\$701</b>	<b>Median Premium</b>		<b>\$251</b>	<b>\$207</b>	<b>\$208</b>	<b>\$207</b>	<b>\$251</b>	<b>\$204</b>	<b>\$198</b>	<b>\$200</b>

Footnotes:

- (1) Market share figures are each company's residential homeowners, renters, condominiums or other markets written premium divided by the total direct written premium for all Colorado companies writing residential homeowners, renters, condominiums and other markets.
- (2) Protective Devices discount applied.

(3) Age of Home Discount applied.

- (4) \$10,000 Medical Expense Coverage.
- (5) Dwelling is assumed to be insured for 100% of replacement costs.
- (6) Contents replacement cost is \$10,000 over 75% standard rate.

(7) United Services Auto Assoc and USAA Casualty Ins Co

coverage is generally available only to current, retired and former US military personnel and their dependents.