THE ROLE OF INSURANCE IN THE LUXURY HOME BUYING PROCESS

Presented by

HOWARD & GAY
INSURANCE

Insurance as a Key Closing Consideration

Homeowners insurance is required by nearly all mortgage lenders and represents a significant component of the total cost of ownership. Understanding how insurance is evaluated—and securing coverage early—ensures a smooth, timely closing and lasting protection for your investment.

What Drives the Cost of Insurance

Property Factors

- **Location:** Coastal exposure, flood zones, or distance from fire services can influence premiums.
- **Age & Condition:** Homes with updated roofs, electrical, and plumbing systems are generally less costly to insure.
- **Construction & Materials:** Custom finishes, imported materials, and architectural details impact rebuild cost.
- **Rebuild Value:** Insurance is based on *reconstruction cost*, not purchase price. Larger or bespoke homes require higher limits.
- **Claims History:** A property's prior loss record can affect eligibility and pricing.

Homeowner Factors

- **Credit Profile:** Strong credit may help reduce premiums.
- **Coverage Design:** Deductible levels and added coverages (such as valuables or water backup) impact cost.
- **Lifestyle Risks:** Pools, trampolines, or certain dog breeds can increase liability exposure.

Smart Strategies for Buyers

- **Engage Early:** Begin the insurance process once an offer is accepted to avoid last-minute underwriting or lender delays.
- **Work with an Independent Broker:** Access to multiple carriers ensures the most competitive terms and broadest protection.
- **Evaluate Coverage, Not Just Cost:** The lowest premium rarely provides the most comprehensive coverage.
- **Consider Higher Deductibles:** A larger deductible may reduce premiums while maintaining full protection.
- **Ask About Discounts:** Bundling home and auto, or installing water shutoff systems and monitored alarms, can provide meaningful savings.

Why Luxury Homes Require Specialized Carriers

High-value properties require insurers who understand architectural uniqueness, fine materials, and luxury lifestyles. **Chubb, PURE, Berkley One, and Cincinnati Private Client** provide:

- Guaranteed Replacement Cost coverage
- Concierge-level claims handling
- Protection for fine art, jewelry, and liability worldwide

The Advantage of a Local Private Client Broker

Howard & Gay Insurance is an independent, family-owned brokerage serving Connecticut's most discerning homeowners.
We provide:

- Direct access to premier high-net-worth insurers
- Personalized service from local experts
- Coordination with lenders, attorneys, and closing teams
- Continued annual reviews to ensure proper coverage

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