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Survey shows Oregonians pay less for homeowner insurance

SALEM - Oregonians spend less for homeowner insurance than residents of almost any other state, according to a national survey.

The average premium for the most commonly purchased homeowner policy was \$491 in 2005, ranking Oregon 48th lowest out of the 50 states and the District of Columbia. The nationwide average was \$764 in the survey conducted by the National Association of Insurance Commissioners (NAIC). Figures don't include protection for earthquakes and floods, which aren't covered by a standard homeowner policy but can be purchased separately.

"Oregon is a very competitive market for homeowner insurers and that helps keep premiums low," said Cory Streisinger, director of the Department of Consumer and Business Services (DCBS).

Oregon's average premium in 2005 decreased slightly from 2004's average of \$492. It was significantly lower than neighboring states California (\$895) and Washington (\$589).

Premiums in Oregon continued to hold steady in 2006 and 2007. A DCBS Insurance Division analysis of the top 10 homeowner insurers in the state found that average premiums decreased 3 percent in 2006 and increased slightly, by 0.2 percent, in 2007.

"It's important to remember that these are averages," Streisinger said, "and premiums for individual homeowners may be higher or lower. Overall, Oregonians are getting a good deal on homeowner insurance and I expect that trend to continue based on recent rate filings by insurers."

In addition to paying some of the lowest premiums in the country, Oregon homeowners have important protections provided by law. The "homeowner bill of rights," passed by the 2005 Legislature, restricts how insurers can use claims experience and consumer inquiries when making underwriting and rating decisions. The law prohibits homeowner insurers from canceling or not renewing policies for the first claim in a five-year period. It also bans insurers from treating policyholder inquiries as claims, and prohibits insurers from using claims made under prior ownership to cancel or nonrenew policies or increase rates when the cause of the past claims has been mitigated.

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Although average premiums in Oregon are low in comparison to other states, homeowners still may be able to save money by shopping around for insurance, said Scott Kipper, Insurance Division administrator.

“Premiums can vary widely from company to company, so it’s important for consumers to explore all their options before choosing a plan,” Kipper said.

Price comparisons and tips for saving money are available on the division’s Web site: www.insurance.oregon.gov.

Kipper said the Insurance Division also can help Oregonians who believe they are being treated unfairly by insurers or agents. To file a complaint, visit the division’s Web site or call (888) 877-4894 (toll-free).

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The Insurance Division, part of the Department of Consumer and Business Services, helps ensure the financial soundness of insurers, the fair treatment of consumers, and the affordability and availability of insurance products. For more information, visit www.insurance.oregon.gov.

The Department of Consumer and Business Services is Oregon’s largest business regulatory and consumer protection agency. For more information, visit www.dcbs.oregon.gov