

Insurance tips for Oregon real estate agents

Multiple factors can affect the availability and cost of homeowners insurance. Things such as the property's condition and location, and the buyer's credit and insurance history and claim experience may be considered during the underwriting review of new policies. The following are some general guidelines related to homeowners insurance.

Encourage buyers to discuss insurance coverage with their insurance agent or company.

Encourage disclosure of buyer and seller histories

- [Comprehensive Loss Underwriting Exchange \(CLUE\) reports](#) and carrier letters of experience will reveal information about prior claims and help when seeking insurance coverage.
- Prior claims on listed property or the buyer may affect insurability.
- Prospective clients should discuss transition of existing renters or homeowners policies to avoid any lapse in coverage.
- Is there sufficient coverage? A homeowners insurance policy is secured to protect the value of the dwelling, other covered personal assets, liability, and optional endorsements. The amount of coverage listed on the policy for dwelling replacement should be at least enough to cover the replacement of the dwelling but not necessarily the market value of the property or the loan. Land is not covered.



- Understand the difference between replacement cost (RC) and actual cash value (ACV) coverage. RC pays to replace items up to the limit of policy, less exclusions and deductible, while ACV will first depreciate for age and condition.
- Consider optional policy endorsements such as hidden water damage, service line coverage, and extended replacement value, to name a few. These often cost a relatively low premium, but they help avoid unexpected costs due to loss.
- Higher deductibles, available discounts, rerates, and having multiple lines of insurance with the insurer may help secure quotes, reduce premiums, or both.

Home condition, defensible space, and home hardening

- Review prospective listings for Firewise, IBHS, or similar defensible space guidelines.

Noncompliant properties may be rejected by underwriting. Community level risk mitigation may be considered by underwriting.

- Be mindful of neighboring property conditions and potential hazards (for example, bodies of water and commercial operations).
- Age of roof and general home condition are common factors in underwriting rejection.

Insurance accessibility

- Confirm the current insurance company of the listed property. Advise buyers.
- Encourage buyers to shop for insurance well before closing. Oregon admitted insurance companies will quote policies at least 30 days in advance of policy effective date.
- If the buyer is denied by two or more insurance companies, they should ask their insurance agent for a surplus lines quote. Buyers should understand limitations

and exclusions as these can differ from the admitted market, even excluding wildfire coverage.

- If the buyer is denied by two or more insurance companies, they should also ask their insurance agent for a quote from the Oregon Fair Plan Association (OFPA). OFPA offers essential property insurance. Coverage limits are \$600,000 for residences and \$1 million for commercial properties. Higher limits may be available through reinsurance. An OFPA standard policy does not offer liability coverage; however, liability coverage and more can be obtained through OFPA's partnership with Access One80.

Other Resources

- [Homeowner rate and underwriters guide](#)
- [Oregon homeowners bill of rights](#)
- [Problems with your insurance or financial services? We can help.](#)

