



LOWER HOMEOWNER INSURANCE

RISE

FOR SUSTAINABLE HOMES



Homeowner Insurance

Homeowners across the country spend an average of \$1,083 annually on home insurance, with an average payment of \$35 per month for every \$100,000 in home value. However, in coastal areas or in places where extreme weather events are more likely, the expense for homeowner's insurance can increase dramatically. Finding ways to lower your homeowner's insurance while still maintaining needed protection is important for people, no matter where they live. It is well documented that sustainable homes are more resilient to all different types of natural disasters. Recently, the home insurance industry began offering opportunities to lower your insurance premiums if you remodel or retrofit with sustainability and energy efficiency in mind. Here is how sustainable home construction can affect the homeowner's insurance products available.

Lower Premiums for 'Green' Homes

While most homeowners know that renewable energy options, energy efficiency upgrades, and other sustainable home features can save you money on your utility bills over the long-run, saving money on homeowner's insurance is usually not taken into consideration when calculating the potential savings and payback periods associated with sustainable home improvements. Are sustainable homes really eligible for lower insurance premiums?

The insurance industry is quickly learning that sustainable homes are generally safer and more resilient to disasters, both natural and human-made. Many insurance companies are familiar with LEED certification and are open to offering discounts for 'green' construction practices that incorporate:

- fire-resistance strategies
- improved home safety
- interior air quality
- increased home longevity through high-quality construction



PHOTO: ALPEN



From the perspective of a home insurance company, a sustainable home that includes high-performance insulation, backup battery power, insulated water pipes, and renewable energy option will be much less likely to suffer damages related to extreme weather and power outages.

Unfortunately, many insurance companies across the country still haven't updated their homeowner's insurance policies to incorporate considerations for the sustainable home. For that reason, it's recommended that homes built to certain environmental standards should have a policy that specifically provides a replacement to that same level. This reduces the risk that the homeowner won't have to pay extra out-of-pocket costs to reach those same standards.



WHAT ASPECTS OF SUSTAINABLE HOMES ALLOW FOR LOWER PREMIUMS?

While each insurance company will have their own guidelines related to the specific sustainable home features that might allow for lower premiums, the following aspects are the most relevant for potentially lowering the cost of your homeowner's insurance policy.

- NO GAS COMBUSTION IN THE HOME
- INCREASED RESILIENCY TO EXTREME WEATHER
- LEED CERTIFICATION BENEFITS
- WATER LEAK SENSORS AND SHUTOFF DEVICES
- SMART SECURITY SYSTEMS

Rise

A cup of coffee with latte art on a saucer next to a laptop keyboard.

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project into a sustainable one.**

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