

PREFERRED AUTO | HOME | TEXAS

Understanding How Severe Weather Affects your Rate



There's a connection between recent storms and what you now pay to insure your home and car. Fortunately, there are things you can do to save money on your policy.

Texas thankfully avoided any headline-grabbing hurricanes in 2015. But it was still a record-setting year for severe weather in the state.

Property damage from weather events like thunderstorms and hail resulted in billions of dollars' worth of insurance claims in Texas in 2015. Unfortunately, 2016 got off to a rough start, with major hailstorms in Texas.

All this severe weather is affecting what Texans are now paying for insurance—and prompting many to talk to their agent about ways to save.

Why severe weather impacts insurance rates

Insurance companies do their best to predict future claims payments. They then set rates based on these predictions. That's the science of insurance.

But while science is generally reliable, it's not perfect. A lot of unexpected severe weather can disrupt even the most careful predictions.

When that happens, insurers may need to charge more. This ensures they have enough to pay future claims and protect their customers.

It's why we're now seeing insurers across the state—including Kemper—raise rates.

And it's part of why you may be paying a little more to insure your home and car this year than you did last year—even if you didn't have a claim.

2015-2016: the Lone Star State was the "Severe Weather State"

- 2015 was Texas' wettest year since 1895 and busiest year for tornadoes
- Texas led the nation in insurance losses due to severe weather in 2015
- Texas insurers settled 466,250 claims in 2015, costing \$3.2 billion¹
- Hailstorms in March 2016 caused more than \$1 billion in damage to cars, homes and businesses¹

¹Insurance Council of Texas

Ways you can save

The good news is there are many things you can do to save money on your insurance.

- **Insure both your car and home with Kemper.** You'll save money with our Companion Auto Policy discount, while enjoying greater convenience and other benefits
- **Select a higher deductible.** A higher deductible can also reduce your premium payments. However, it does mean more money out of pocket in the event of a covered loss, so you should discuss it with your Independent Agent to make sure you are making an informed decision
- **Make automatic payments.** If you pay in installments, consider automatic payments via electronic funds transfer (EFT) from your bank account or recurring credit card payments to avoid postage costs and save on installment fees
- **Find out if you're eligible for discounts.** You could save on your Auto insurance for having a good student in the family or a child away at college. You could save on your Home insurance for having a central station reporting fire or burglar alarm. Ask your Independent Agent about these and more
- **Ensure you're not paying for coverage you don't need.** For example, it makes sense to drop Loan/Lease coverage if your car is paid off

More ways to save: protect your property

If you have a covered loss, you'll still be subject to a deductible. The best way to save money is to not have a loss. The Insurance Information Institute's website, iii.org, has a variety of articles and videos on these and other topics:

- Preventing weather damage to your home
- Vehicle safety
- Distracted driving
- Teen driving

Contact your Independent Agent to learn more

Severe weather can impact the cost of insurance. But there are ways you can reduce your premiums. Call your Independent Agent today to find out more.



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