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## BUNDLING YOUR INSURANCE POLICIES

by [Michael Evans](#) on March 27, 2012 with 3 comments



Bundling your insurance policies can enable you to keep more money in your pocket. In order to bundle your coverage, you must purchase more than one policy from the same insurance company. Typically, only large companies that sell multiple types of policies offer bundled insurance deals. For example, if an insurance company sells automobile, homeowner's and life insurance, you can probably receive a bundled rate if you buy all three policies from that carrier.

While bundling policies can help save 10 percent to 25 percent on your total insurance costs, the amount of savings often depends on your insurance needs and personal circumstances. For instance, if you have multiple traffic violations on your driving record, and purchase automobile and renter's insurance from the same company, you can expect a smaller discount for bundling policies than if you had a spotless driving history.

### THE BENEFITS OF BUNDLING POLICIES

Bundling policies can provide benefits beyond savings on insurance premiums. Certain insurance carriers allow you to take a single deductible if different types of property suffer damage or destruction in the same catastrophe. For example, if a tree falls on your home and car, and you hold automobile and homeowner's insurance with the same company, the carrier may allow you to pay the highest deductible of the two policies and waive the deductible of the other.

**BUNDLING POLICIES CAN PROVIDE BENEFITS BEYOND SAVINGS ON INSURANCE PREMIUMS.**

By bundling insurance policies, you can also save time each month when paying your bills. Large carriers that offer bundled insurance deals often include all policies in a single billing. This can enable you to write one check each month, or arrange for a single automatic bank withdrawal, rather than submitting multiple payments to different insurance carriers. Bundling your policies with one company also gives you a single point of contact if you need to make changes to your coverage. This can save time and effort if you need to increase or decrease coverage, or when moving or evaluating your financial planning.

Automobile, life and homeowner's policies are the most sought-after types of coverage in the insurance market. For this reason, insurance carriers selling all three types of coverage often offer special bundled pricing to increase their sales. In many cases, companies offer the lowest premiums for clients who purchase all three types of policies. In addition to making more sales to a single client, insurance companies usually retain a policyholder for many years by offering bundled prices. However, large companies do not limit bundles to life, auto and life insurance. Many companies also enable you to bundle motorcycle, boat, recreation vehicle and all-terrain vehicle policies.

Bundling insurance policies can also give you an opportunity to increase your insurance coverage. For instance, if you receive a 20 percent over-all discount for bundling your homeowner's and auto insurance policies, you want to apply the saving to increasing liability limits on your car. If you have put off purchasing a renter's insurance policy because of costs, you can apply part of your savings to a new policy to protect your apartment furnishings.

Consumers buy insurance in different ways. When purchasing their first insurance policies, many people turn to the insurance company or agent of their parents. In such cases, many consumers stick with the same insurance carrier throughout their lives, adding extra policies as their insurance needs change. If you want to stay with your current insurance company, speak with your agent about bundling your policies to save money. In certain cases, a company may automatically apply a discount each time you add a new policy to your account.

Even if you are satisfied with your insurance company, it never hurts to shop around for better deals. Most insurance companies feature quote applications on their websites, which you can use to compare prices between different providers. You can also call agents representing different insurance carriers to collect a few quotes for comparison. If you find a better price with another company, approach your current carrier with your findings. Your current carrier may offer a price match to keep your business.

If you have previously purchased policies from numerous companies, you can check with a large insurance carrier to find out if bundling offers a savings. Remember, in most cases you must bundle your policies with one company in order to get a discount. This strategy often enables you to save money, but not in all cases. If you have a policy with a company that specializes in one type of insurance, you may have a hard time finding a better price, even when bundling policies.

### BUNDLING THROUGH AN INSURANCE BROKER

Some insurance brokers may offer a discount for purchasing multiple policies. Brokerages work on different types of payment schemes. While some receive a one-time commission for orchestrating a sale, others receive ongoing commission payments throughout the life of an insurance policy. Brokerages often have the lowest prices for insurance policies because they sell in volume. If you purchase multiple policies from the same brokerage, written by different carriers, you may actually realize even greater savings than bundling with a single insurance company.

**YOU MAY ACTUALLY REALIZE EVEN GREATER SAVINGS BUNDLING THROUGH A BROKER THAN BUNDLING WITH A SINGLE INSURANCE COMPANY.**

While bundling insurance policies can often save you money, it does not always make sense to bundle all types of policies, especially with life insurance. If you want to bundle a term life insurance policy with other types of coverage, it is often best to purchase all coverage from the life insurance provider. If choose another company, you will need to start a new life insurance policy with a new term. While you can switch your homeowner's and car insurance to another company without much of a hassle, insurance providers often require you to take a physical and go through a lengthy a qualification process for new life insurance coverage. In such cases, it often makes more sense to complete the term of your current life insurance coverage. You can always switch other types of policies to a company offering a bundled deal.

Before bundling your insurance policies, it is useful to seek advice from family members, coworkers or friends who have already gone through the process. J.D. Power and Associates, an international marketing information company, conducts a survey each year to gauge the satisfaction of insurance consumers. Its 2011 U.S. National Auto Insurance Study found that 77 percent of auto insurance customers have bundled two or more of their insurance policies. However, the survey revealed that consumers with unbundled insurance policies reported higher satisfaction with their coverage than people with bundled policies. Dissatisfied consumers with bundled policies cited customer service as one of the primary reasons for their ratings. While some companies offer great deals for bundled policies, it may mean giving up the easy and personal touch of working directly with a local agent.

If you decide not to bundle your policies, you may qualify for other insurance discounts. For instance, if you have a spotless driving record, ask your insurance agent if you qualify for a better rate. If you have more than one automobile, but different insurance carriers, maybe you can save money by switching all policies to the same company. You may also consider making safety improvements around your home, such as installing a burglar or fire alarm system, to reduce the cost of your homeowner's coverage.

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### comments

**PRESIDENTNOYIL** April 12, 2012 at 11:57 am  
I guess it's important to add that you not only save around 10% to 30% of your premiums, but you also get full coverage... you don't have to sacrifice protection over costs!

**CLARABELLE** April 13, 2012 at 11:18 am  
Actually the myth of writing just one check is not quite true. I've bundled my insurance policies but I still write three checks to the insurance company.

**MIRASOL** April 29, 2012 at 1:11 pm  
I am actually cautious of putting all my eggs into one basket, but you have to admit that in times like the one we have to pass up! every penny counts, the savings is just too good to pass up!

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