

WHY NEW HOME CONSTRUCTION IS PREFERRED BY INSURANCE CARRIERS

Newer construction is often favored by insurance companies due to their modern structure, updated systems, and compliance with current safety standards, which reduce the likelihood of costly claims. Here is why choosing a new construction home could lead to lower insurance premiums and easier approval and renewal process:



1. FLORIDA BUILDING CODE COMPLIANCE

Homes built to meet recent building codes are designed with improved safety features and structural integrity, which insurers recognize as lowering risk.

- Use of fire-resistant materials, modern safety features, and adherence to current standards
- Compliance with 4-point inspections, wind mitigation reports, and up-to-date hot water heaters
- Storm-resistant features like impact-resistant windows, impact-resistant roofs and reinforced foundations, which are crucial during severe weather events
- New roofs on newer homes perform better in storms, a significant factor for insurers in hurricane-prone areas.
- Modern electrical systems, which are less likely to fail or pose a fire risk
- Masonry construction, commonly found in new homes, is preferred by many insurers due to its resilience during hurricanes



2. BUILDER WARRANTIES REDUCE RISK

New homes often come with builder warranties that cover structural or system issues, reducing the chance of insurance claims in the early years of ownership.



5. FEWER RENEWAL CHALLENGES

New homes are less likely to face non-renewals or require extensive inspections of documentation at renewal time, ensuring smoother policy continuity, and typically lower renewal increases.



3. CLEAN CLAIM HISTORY

A new home starts with a clean slate, which increases the likelihood of securing insurance and may result in lower premiums.



6. EXISTING HOMES MAY FACE LIMITATIONS

Older homes with aging electrical, plumbing, or structural systems may be deemed ineligible for coverage due to increased risks. Additionally, these homes will typically require pre-binding inspections by both the client and the carrier which can add additional time and cost to the approval process.



4. LESS RISK OF HIDDEN PROBLEMS

Newer homes are less likely to have hidden issues such as outdated wiring, mold, or foundation problems, which can be costly to repair and might trigger insurance claims.

Information courtesy of:



If you are interested in insuring your home with us, please call one of our trusted advisors.
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