MediaRoom

Farmers Insurance® Shares Tips to Lowering Insurance Costs While Understanding the Trade-Offs

Farmers® explains the difference between savings opportunities and coverage trade-offs.

WOODLAND HILLS, Calif., Nov. 4, 2026 /PRNewswire/ -- Insurance can represent a significant household expense, making the search for savings a necessity for many consumers. According to Farmers Insurance®, understanding how those savings are achieved can be just as important as the amount saved.

Some opportunities, such as bundling policies or qualifying for discounts, may help reduce premiums without changing coverage. Other approaches, such as increasing deductibles, lowering coverage limits or removing certain coverages, can affect what a policy may pay after a covered loss.

To help consumers make informed decisions, Farmers® is sharing an **Insider's Guide to Lowering Insurance Costs**, along with questions consumers may want to consider before making policy changes.

"Price matters. For many households, finding ways to lower costs is essential," said Greg Pannhausen, Head of Property Product Development at Farmers. "What often gets overlooked is understanding what's driving the savings. Sometimes coverage stays the same. Other times, the consumer is taking on more financial responsibility or choosing less protection in exchange for a lower premium."

Insurance premiums help fund the coverage provided by a policy and contribute to an insurer's ability to pay covered claims. The amount a consumer pays can be influenced by many factors, including the property or car being insured, selected coverage, amount of coverage (often referred to as "limits"), deductibles and other risk-related characteristics.

Not all savings work the same way

Cost-saving opportunities can generally fit into two categories:

(1) **Savings that may not change coverage**

Examples may include:

- **Bundling** multiple policies (i.e. having more than one policy, like home and car insurance, with the same insurer)
- Taking advantage of eligible **discounts**
- Reviewing available policy features and cost-saving programs

(2) **Savings that may involve a coverage trade-off**

Examples may include:

- Raising a **deductible**
- Lowering coverage **limits**
- Removing certain **optional coverages**

For example, a homeowner may choose a higher deductible to lower premium costs. A car owner may decide to remove coverage that protects against certain types of losses. Both decisions may reduce costs, but they can also increase out-of-pocket expenses or reduce coverage if the customer has a covered claim.

Why reviewing coverage over time matters

Consumers often compare insurance options carefully when buying a policy, but may not review their coverage as often afterward.

Farmers recommends reviewing coverage periodically and whenever a major change could affect what needs to be protected or how much it may cost to repair or replace it, particularly after:

- Purchasing or selling a new home, car or other asset
- Replacing a roof or making other significant home improvements
- Completing major renovations
- Acquiring valuable belongings
- Experiencing significant changes in local rebuilding costs
- Major life changes

A policy that was a good fit several years ago may not perfectly reflect a consumer's circumstances today.

Four questions consumers may want to ask before making insurance changes

Before reducing coverage or making policy adjustments, Farmers recommends asking:

- What is changing on the policy?
- How much would be paid out of pocket if a claim occurred tomorrow?
- Which losses would no longer be covered?
- Who is covered or not covered?

"The best insurance decision isn't necessarily the cheapest option or the most expensive option," said Pannhausen. "It's the option that fits a consumer's circumstances, priorities and budget. Understanding the trade-offs helps consumers make informed decisions."

The goal is not necessarily to spend more or less on insurance. It is to understand what changes along with the price. **Farmers' Insider's Guide** helps consumers compare common ways to reduce insurance costs, identify potential coverage trade-offs and ask questions that may help prevent surprises after a loss.

About Farmers Insurance

"Farmers Insurance®" and "Farmers®" are tradenames for a group of insurers providing insurance for automobiles, homes and small businesses and a wide range of other insurance and financial services products. Farmers Insurance Exchange, the largest of the three primary insurers that make up Farmers Insurance, is recognized as one of the largest U.S. businesses on the 2026 Fortune 500 list. For more information about Farmers Insurance, visit Farmers.com.

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