

Home Buyers' Guide to Insurance

Protect your most important investment.

SHOPPING FOR A NEW HOME? You're probably finding out there are lots of decisions to make and details to work out before you can move in. To help you out, Allstate created this guide as a "walk through" for basic home insurance information. It's important to help protect your investment by understanding and choosing insurance that's right for you.

What to look for in coverage.

1. DWELLING AND OTHER STRUCTURES

This coverage typically includes the repair and/or rebuilding costs of your home, garage or shed if it is destroyed or damaged by any of the perils covered by your policy. See list of typical covered perils shown in the chart to the right.

2. CONTENTS

Typically this covers your personal belongings in case of fire, theft or other covered perils, up to the contents limit on your policy. This includes furniture, as well as things like your clothing, bicycles, TV and stereo.

With Allstate, you can increase the coverage limits on your possessions with an optional endorsement to your homeowners policy. For example, you can increase protection for your lawn mower, landscaping, sports equipment and personal property used in a home business. (Subject to availability.)

Typical covered perils include:



Fire



Lightning



Wind & Hail



Freezing of Plumbing



Smoke



Theft



Explosion



Falling Objects

3. LIABILITY PROTECTION

This coverage helps protect you against the legal responsibility for any injury or property damage that you or your family may cause to other people – on or away from your property. It typically includes compensation for the injured party, the cost of defending you in court and any court awards – up to the limits of your policy.

4. GUEST MEDICAL COVERAGE

Typically, this pays for medical expenses caused by accidents in your home that are not covered by liability protection.

5. ADDITIONAL LIVING EXPENSES

If a covered loss such as a fire or windstorm makes your home uninhabitable, many policies will cover the reasonable increases in expenses needed to maintain your normal standard of living. This may include payments for a hotel, food and other expenses.

To find out more,
visit ChooseWisely.com



QUESTIONS TO ASK BEFORE CHOOSING AN INSURANCE COMPANY.

1. Does the company have a strong reputation, high standards and financial stability? Is the company rated well by rating agencies?
2. What happens if you file a claim? Will your premium immediately go up or will your policy be cancelled? Will they reward you if you *don't* file a claim?
3. Will you be able to reach the company and manage your policy the way you like – in person, on the phone or online? Do you feel confident the company will give you good service and support when you need it? For example, will they respond to a claim quickly and fairly?
4. Does the company offer personalized coverage options to help you protect your most valuable possessions, such as jewelry, furs, silverware or collectibles? Does it offer protection for identity theft?

Ask Allstate.



Q. How can I save money on my homeowners insurance?

A. Raising your deductible is one way to help save money. Consider a deductible of at least \$500 or even \$1,000.

You could also save by insuring both your home and car with the same company or qualifying for other discounts.

Q. I have a policy with “replacement cost.” Does that mean my insurance will pay to rebuild my home?

A. Typically, replacement cost means your insurance will pay the cost (up to policy limits) of rebuilding or repairing your home without a deduction for depreciation. However, it may not take into consideration price increases for labor and supplies.

A policy with extended replacement costs may provide better protection by paying a percentage over the limit to rebuild your home. For example, if

you purchased insurance with an extended replacement cost of 20% on a \$200,000 policy, you could get up to an extra \$40,000 in coverage to pay for the additional expenses of replacing your home.

Q. If I file a claim, do I have to work with the insurance company's contractors?

A. The process for selection of a repair company may vary by insurance company. With Allstate, you can choose the repair firm, and an Allstate claim representative will work with them to agree to the cost.

Or, you can choose a contractor participating in the Allstate vendor referral program, and a workmanship guarantee will be issued on behalf of the vendor for up to three years from the date the repairs are completed.

Q. Does a homeowners policy include flood insurance?

A. Homeowners policies usually do not provide coverage for flood damage. However, if your community participates in the National Flood Insurance Program, you may be able to purchase flood insurance from a local insurance company. The cost varies based on a number of factors.

What happens *if you decide not to buy* this type of insurance and your home is flooded? You'll only receive federal disaster assistance if the flood is declared a disaster by the U.S. president. The assistance is typically a loan which must be paid back with interest. *If you buy flood insurance* from an insurance company, claims are paid even if a disaster is not declared by the U.S. president. Better yet, there's no payback requirement*.

To find out more, ask your agent or go to allstate.com.



*Source: Federal Consumer Information Center, www.pueblo.gsa.gov, 2004; www.floodsmart.gov, 2006. Insurance and discounts are subject to terms, qualifications and availability. Allstate Insurance Company, Allstate Indemnity Company, Allstate Fire and Casualty Company and Allstate Property and Casualty Insurance Company: Northbrook, IL.