



# Your home means a lot to you.

So does your budget.

Your home isn't just a place to sleep at night. It's where you celebrate, unwind and create memories that'll last a lifetime. We understand that, so we provide the homeowners insurance chosen by millions of people. We also understand that your budget is an important factor; to help meet your needs, we're offering a **Homeowners Basic Policy**.

The State Farm® **Homeowners Basic Policy** helps provide the reliable protection you're looking for, with some helpful cost savings. By limiting certain coverages, this policy provides you protection for less money. And when you consider the expense of maintaining and investing in your home, saving money on your coverage can be very appealing. Of course, like all homeowners insurance, a Homeowners Basic Policy protects your home and belongings from fire, theft and many other perils. That way, if the unexpected ever happens, your policy could help to repair your home or replace your possessions.

## How much coverage do you want?

Owning a home can be both exciting and challenging. So we understand you probably have questions about homeowners coverage. At State Farm, we're *here to help life go right.™* You can count on us to listen, and help you choose the amount of coverage that fits your budget and your lifestyle.

## What's covered by your policy?

Your Homeowners Basic Policy could help cover costs for both property and liability claims.

### Property

- **Your house.** This includes your home as well as other structures on your property, such as a separate garage.
- **Your possessions.** This includes personal belongings inside your home, such as your clothing, furniture and electronics. It could even cover belongings you take with you out of your home, like a laptop or bicycle.

### Liability

- **Financial protection against lawsuits:** Your State Farm Homeowners Basic Policy could help protect your finances by paying for damages for which you're legally responsible. It can even cover your legal defense. For instance, if a visitor accidentally hurts themselves at your place and took you to court, the policy would be there for you.

# Homeowners Basic Policy

## What's not covered.

Like our traditional Homeowners Policy, there are some common causes of loss that aren't covered:

- Water damage caused by flood or underground water
- Liability for business-related activities
- Liability for intentional injury or property damage
- Damage caused by earthquake or mudslide

If you have any questions about what is or isn't covered, just ask your State Farm agent. We're always happy to help.



## Like saving money? You'll appreciate this.

Here's another potential way to save. If you choose a Homeowners Basic Policy, and also carry an auto policy with State Farm, you could qualify for our Multi-line discount!

## What are deductibles and how can they affect you?

A "deductible" is the amount that you are responsible for when you file a claim. Your deductible will be equal to a percentage of the coverage on your home.

**Here's how a deductible works.** Say your house is insured for \$100,000 and you have a 1% deductible. If you make a claim, you would be responsible for the first \$1,000 (that's 1% of \$100,000) and the policy would cover the rest of the claim.

Generally, the higher the percentage that your deductible is, the lower your premium. Talking to your State Farm agent is the best way to help determine the deductible size that's right for you.

## What are "Special Limits of Liability?"

Another way that a Homeowners Basic Policy can lower your premium is by placing coverage limits on certain types of property, such as jewelry, tools, collectibles and other valuables.

**Here's an example:** Suppose your home had been broken into and your jewelry was stolen. Since the liability limit for jewelry is \$1,000, the policy would reimburse you up to that limit after your deductible has been met.<sup>2</sup>

## Your possessions aren't just things. Keep track of them with helpful tools.

You've worked hard for your possessions, and they mean a lot to you. So we make it easy to create a helpful, online inventory of everything you own. Our State Farm HomeIndex<sup>®</sup> tool<sup>3</sup> is available only to our customers, and can be used to:

- **Build an online inventory.** Snap a picture of each valuable, add its name and the cost to replace it, and assign it to a category. Your inventory will be safely stored electronically in the cloud.
- **Easily access your inventory.** Once your inventory is online, it's simple to update from any mobile device or computer. You can also email it to yourself, a relative or your agent. Plus, if you ever have a claim, you'll have a list of your possessions ready to go.

We have other helpful tools waiting for you too. To take advantage of them, just register at [statefarm.com](https://www.statefarm.com)<sup>®</sup>

## How does our Homeowners Basic Policy compare to our Homeowners Policy?

Why does our Homeowners Basic Policy cost you less? Unlike our Homeowners insurance, it excludes or limits certain types of protection to bring you savings. Let's look at a few examples.

TYPE OF COVERAGE	HOMEOWNERS BASIC	HOMEOWNERS
<b>Personal Property Limits</b>	40% of Dwelling Amount (Coverage B)	75% of Dwelling Amount (Coverage B)
Computers	Unlimited for personal use; \$10,000 for business	\$5,000
Business Property	\$1,500 on / \$750 off	\$1,500 on / \$500 off
Tools (Theft)	\$5,000	Up to the personal property limit
<b>Additional Property Coverage</b>		
Refrigerated Products	Covers extensions	\$1,000
Power Interruption	Excluded	Covered within property
Lock Rekeying	Reasonable Expenses	\$1,000
<b>Dwelling Coverage – Included Perils</b>	Includes specific perils including damages due to fire, theft, lightning, hail, explosions and smoke. Ask your agent for a complete list.	Covers most accidental direct physical loss, with exclusions outlined in the policy
<b>Personal Property Coverage – Included Perils</b>	Includes specific perils, including damages due to fire, theft, lightning, hail, explosions and smoke. Ask your agent for a complete list.	Includes specific perils including damages due to fire, theft, lightning, hail, explosions and smoke. Ask your agent for a complete list.
<b>Dwelling Loss Settlement</b>	Loss or damage will be repaired with common materials and construction methods	Offers 2 loss settlement options
<b>Wind/hail losses to roofs</b>	Actual Cash Value	Replacement Cost

## Homeowners Basic Policy

There's no place like home. Protect yours with a company you can rely on.

Owning a home can be both rewarding and costly. So we understand that you're looking for value on your coverage. And while you may be saving money with a Homeowners Basic Policy, it's still backed by the financial strength of State Farm, the #1 provider of Homeowners coverage<sup>4</sup>. And with more than 90 years experience listening and responding to customers like you, we offer a level of service you won't find anywhere else.

- **The Power to Pay your Way.** Feel free to make your payments monthly, quarterly, semi-annually or annually. And you can pay online, via mobile phone, with automatic monthly payments, by mail or in person.
- **Prompt, fair claims service** from one of the nation's largest, most experienced claims networks.
- **Timely help in reviewing your coverage.** As your life changes, your home may evolve with it. So to make sure your protection is up to date, it's a good idea to review your policy every year.
- **We're here for you 24/7/365.** We let you choose how and when you want to interact with us. In person. On the phone. Online at [statefarm.com](http://statefarm.com). Or via our Pocket Agent<sup>®</sup> mobile app.

Have questions about our Homeowners Basic Policy or other coverages? Feel free to contact your State Farm agent.



<sup>1</sup> Discount names, availability and amounts may vary by jurisdiction

<sup>2</sup> Capped property types and coverage limits may vary by state. Special limits on certain types of personal property may vary by state.

<sup>3</sup> Completing a State Farm HomeIndex does not replace estimating the total amount of content coverage you may need. Please talk with your agent about your coverage options.

<sup>4</sup> Based on written premium reported by SNL Financial Data 2015.