Allstate Homeowners Policy

Introducing your policy and how it works

Thank you for choosing Allstate as your partner in protecting your home and family. We look forward to keeping you in Good Hands® for many years. Your Homeowners policy contains all the documents that make up your insurance contract. Please review them carefully, as they outline specific coverage details regarding your home.

Before you review your policy, it's essential to understand how it works. We made it easy for you in this simplified overview, including:

- what kind of property and events are covered and excluded.
- what coverages have limits and what those are; and
- what you need to do if you have a claim.

This summary is a guide and doesn't change your policy wording, which will always take precedence. Of course, if you have any questions, please feel reassured that we're here for you; an Allstate agent is just a phone call or email away. They will be more than happy to help. And with that, let's show you how your policy works.

Your policy package – what's inside

Your home insurance policy is part of a legal insurance contract which is divided into four basic parts:

1) The Application, where you have shared details about you and your home.
2) The Declaration page (first part of your policy) details the type and limits of coverage you have.
3) The Policy Wording, which outlines the coverage and terms and conditions; and
4) The Billing Summary is where we show your premium and payment options.

If any sections are missing, please contact us at your earliest convenience to reissue your package.

Reading your policy

It's essential to take some time to familiarize yourself with all parts of your policy, particularly your Application, Policy Wordings, and your Declaration page. This summary will help you navigate these sections:

1. **The Application –** This is where you tell your agent all the important details about your home and property. It's very important to be candid and accurate in completing the application as not only will this help determine your premium, but help Allstate ensure you get the right protection when it matters most.

2. **Declaration Page –** This is where you will find the details on your coverage (the maximum amount we'll pay if you have an insured loss). We determine the amount of coverage on your home (or dwelling) from your Application by using an evaluation tool. We then determine the amount for Outbuildings, Contents and Increased Living expenses based on a percentage of the home's rebuild cost. *These amounts breakdown as 20% for Outbuildings, 80% for Contents and 25% of Living Expenses.* So, if your home costs $500,000 to rebuild, you would have up to an additional $400,000 in Contents protection in the event of a total loss. We've also listed your limits for Legal Liability and Optional Coverages allowing with your Deductible applicable discounts and surcharges.

3. **Policy wordings:** The policy wordings are subdivided to make them more accessible.

Section 1: Your property describes your coverage and exclusions on damaged or destroyed property in an insured event.

For example, if your shed is damaged by a fallen tree, would it be covered? (Hint: it would be subject to coverage limits) It also outlines specific limits on select properties such as jewelry and other special items, coverage extensions like lock replacement after a break-in, and additional living expenses.

Did you know that you may also use additional living expenses if you are required to evacuate your home due to a major catastrophe even if there is no direct damage to your house? It's true! Finally, the terms "home" and "property" refer to what is described on your Declaration page.

Section 2: Your legal liability describes events, coverages, and restrictions where you could be held legally responsible for payment of compensatory damages to a third party for physical injury or property damage. A typical example is if someone slips on your front walkway that hasn't been shoveled. Any associated legal costs you could incur are also found here in section two.

Section 3: Optional coverages available for purchase lists any additional coverage you may need that your policy does not cover. For example, you may need extra coverage for certain water events like sewer back-up. Your Allstate agent can work with you to see if you need any additional coverage.

Also included are sections outlining:

Policy and coverage conditions describe the requirements that govern all policies issued by Allstate.

The liberalization clause allows broadened coverage to be added to your policy anytime. For example, if we add a new, beneficial coverage to the base policy wording before your renewal date, you don't have to wait, it's automatically added it to your policy!

Short rate cancellation table describes the fees charged if you cancel your policy before the renewal date.

Understanding how much is covered and how claims are handled.

1) Limits of coverage

The coverage limits shown on your declaration page are applied *per occurrence*. You will be covered up to these amounts unless the policy states otherwise.

a. These limits are the collective maximum amount for all people and property in your household insured by the policy.

b. Inflation is applied to the Property coverage amounts every year.

c. Allstate will never pay more than your financial interest in any property.

2) Exclusions

Your policy is a "comprehensive" product. This means that rather than list out everything you are covered for, it's easier to list *what you are not covered for*. The Exclusions describes all events, perils, property, and liabilities that you would not have coverage for.

3) Deductibles

This section outlines the portion of the claim settlement you are responsible for paying. For example, if fire causes $8,000 of damage to your kitchen and your deductible is $1000, Allstate will pay $7,000 to repair the damages while you are responsible for the balance. Unless explicitly stated otherwise, it applies to coverages under Section 1 – Your Property and Section 3 – Optional Coverages only.

4) How We pay for losses to your home, outbuildings, and personal property

Suppose you need to repair damages due to an insured claim. In that case, Allstate covers the cost to repair or replace your damaged property using materials of similar quality and design that you had before the loss, where possible. Please note the following:

a. Unless Allstate agrees otherwise, we'll pay you when your property is repaired or replaced.

b. If you opt out of repairing or replacing your damaged property, you will receive the property's value at the time of the loss minus any depreciation due to factors like age and condition if the item is obsolete, and its average life expectancy.

c. If it's impossible to repair or replace the property, we'll pay for new items of similar kind and value (for example, your fridge didn't have an icemaker, but now all fridges have them).

d. The above situations are subject to your policy's limits and terms and conditions.

5) How claims are paid when additional living expenses are needed

If you experience damage to your home or property due to an insured event, Allstate will reimburse any ***extra*** *living expenses* you incur. For example, you may receive additional costs for staying in a hotel room while we rebuild your home. You may also be eligible to receive payment from Allstate if you have expenses due to a mass evacuation or prohibited access as issued by either local, provincial, or federal authority.

6) How We pay for your legal liability

If you are found legally liable for injury or damage to another person or their property, you may have to pay for damage to the other person's property, or injury and rehabilitation costs. You are covered up to the amount stated on your declaration page. This section will also pay out all legal fees associated with the insured event.