

# How to Get the Best Rate on Home Insurance

A complete guide to customizing your homeowners policy, avoiding overpayment, making smart home improvements, and working with an independent agent to get the right deal.

## Understanding What You're Actually Buying

Most homeowners renew their policy every year without reading it. They know the premium went up, but they're not sure why — and they're not sure what they'd actually get if something went wrong. This guide changes that.

A standard homeowners policy (HO-3) covers four main areas:

| Coverage Type                  | What It Covers                                | Key Limit to Know                             |
|--------------------------------|-----------------------------------------------|-----------------------------------------------|
| Dwelling (Coverage A)          | Your home's structure — walls, roof, floors   | Must equal rebuilding cost, not market value  |
| Other Structures (Coverage B)  | Detached garages, fences, sheds               | Typically 10% of Coverage A                   |
| Personal Property (Coverage C) | Your belongings inside the home               | Check: actual cash value vs. replacement cost |
| Loss of Use (Coverage D)       | Living expenses if home is uninhabitable      | Typically 20–30% of Coverage A                |
| Liability (Coverage E)         | Legal liability for injuries on your property | Standard is \$100K — most families need more  |
| Medical Payments (Coverage F)  | Guest medical bills, no fault required        | Typically \$1,000–\$5,000                     |

## The #1 Mistake: Insuring for Market Value Instead of Rebuilding Cost

Your home's market value includes the land, neighborhood, and comparable sales. Your homeowners policy only needs to cover the cost to rebuild the structure — which in Illinois can be very different from what you'd sell the home for.

Insuring for market value when rebuilding cost is lower means you're paying too much in premiums. Insuring below rebuilding cost means you're underinsured — and the coinsurance clause may limit your claim payout even when it's less than your coverage limit.

Ask your agent to run a replacement cost estimator. It takes 5 minutes and could save you hundreds.

## How Carriers Evaluate Your Risk (And Price Your Policy)

Insurance companies use underwriting models to price your policy. Understanding what they look at helps you present your risk favorably and avoid unnecessary surcharges.

**Location and claims history:** Your ZIP code's claim frequency, proximity to a fire station, and local crime rates all affect your base rate.

- Your home's age and condition:** Older homes with original wiring (knob-and-tube), plumbing (galvanized), or roofing are surcharge magnets. Updating these lowers risk.
- Your personal claims history:** Your CLUE report shows claims you've filed in the past 5–7 years. Multiple claims trigger surcharges or non-renewal.
- Coverage selections:** Actual cash value vs. replacement cost on personal property. Deductible level. Endorsements carried or waived.
- Credit-based insurance score:** Illinois allows carriers to use a credit-derived insurance score. Better credit = lower rate at most carriers.

## Smart Home Improvements That Lower Your Premium

| Improvement                                  | Potential Benefit                                                                  |
|----------------------------------------------|------------------------------------------------------------------------------------|
| New roof (impact-resistant)                  | Up to 25% discount at many carriers. Documentation required.                       |
| Updated electrical panel (200 amp)           | Removes a surcharge that older panels carry at most carriers.                      |
| Updated plumbing (copper or PEX)             | Galvanized and polybutylene pipe are red flags. Replacement removes the surcharge. |
| Central station alarm system                 | 5–15% discount. Must be monitored — self-monitored systems often don't qualify.    |
| Water shut-off sensor (Flo by Moen, LeakBot) | Water damage is the #1 home insurance claim. Leak detection devices earn credits.  |
| Storm shutters / impact-resistant windows    | Especially relevant for home hardening discounts.                                  |

## Why Working With an Independent Agent Gets You the Best Rate

- A captive agent — one who works exclusively for one carrier — can only offer that carrier's pricing, underwriting guidelines, and available discounts. If that carrier prices your risk poorly, you're stuck.
- An independent agent like Lakeside Insurance Partners shops your home across multiple carriers simultaneously. We know which carriers price new roofs favorably. We know which ones penalize dog breeds others ignore. We know which carriers offer the best credits for water detection devices in Illinois. That institutional knowledge — applied to your specific property — is what delivers the best rate.
- And because we represent you, not the carrier, our advice is always in your interest.

## Ready for a Free Rate Comparison?

- One call. 14+ carriers. No obligation. We find the right combination of price and protection for your specific home, your neighborhood, and your situation. Call Patrick at (847) 637-8890 or visit lakesideinsures.com.