



BEST HOMEOWNERS INSURANCE DISCOUNTS

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What discounts are available for homeowners insurance?

Home insurance companies offer discounts that can save you money, but it's up to you to make sure you're getting all the homeowners insurance discounts you deserve. That way you can ensure you have sufficient coverage, but at the same time still be getting the cheapest home insurance for your particular situation.

The discounts that trim the most from your home insurance cost generally relate to your home's age, building materials, roof condition, its type of security system and your payment methods. Of the discounts Insurance.com surveyed, here are the top 10 types of home insurance discounts that save you the most:



- New home construction
- Bundle home and auto
- Construction type (fire resistive, superior, masonry)
- Loyalty (10 years, five years)
- Sprinklers
- Roof upgrade
- Fire alarm (with central monitoring)
- Burglar alarm (with central monitoring)
- Advance purchase
- Paid in full

Here are the average annual percent savings you can get for common discounts, based on Insurance.com's rate data analysis.

Discount category	Discount	Avg. rate	Avg. rate after home insurance discount	Avg. \$ decrease	Avg. % decrease
New Home	New Construction	\$1,482	\$934	(\$547)	-35.50%
Bundle	Home And Auto	\$1,482	\$1,198	(\$284)	-19.16%
Construction type	Fire Resistive	\$1,482	\$1,293	(\$189)	-11.53%
Construction type	Superior	\$1,482	\$1,294	(\$188)	-11.49%
Construction type	Masonry	\$1,482	\$1,372	(\$110)	-6.17%
Loyalty	10+ Years Renewal	\$1,482	\$1,388	(\$93)	-5.73%
Roof Upgrade	Roof Upgrade	\$1,482	\$1,401	(\$80)	-4.82%
Sprinklers	Sprinklers	\$1,482	\$1,404	(\$77)	-5.34%
Loyalty	5 Years Renewal	\$1,482	\$1,414	(\$68)	-4.02%
Fire Alarm	Central Station	\$1,482	\$1,425	(\$57)	-4.02%
Burglar Alarm	Central Station	\$1,482	\$1,431	(\$50)	-3.53%
Fire Alarm	Fire Department	\$1,482	\$1,435	(\$46)	-3.13%
Loyalty	3 Years Renewal	\$1,482	\$1,438	(\$44)	-2.49%
Burglar Alarm	Police Department	\$1,482	\$1,440	(\$42)	-2.82%
Advance Purchase	10+ Days Advance Purchase	\$1,482	\$1,458	(\$24)	-1.82%
Burglar Alarm	Local	\$1,482	\$1,462	(\$20)	-1.44%
Advance Purchase	7 Days Advance Purchase	\$1,482	\$1,463	(\$19)	-1.48%
Paid in Full	Paid in Full	\$1,482	\$1,464	(\$18)	-1.26%

Discount category	Discount	Avg. rate	Avg. rate after home insurance discount	Avg. \$ decrease	Avg. % decrease
Electrical Upgrade	Electrical Upgrade	\$1,482	\$1,468	(\$13)	-0.85%
Fire Alarm	Local	\$1,482	\$1,470	(\$11)	-0.88%
Automatic payments	Electronic Fund Transfer	\$1,482	\$1,473	(\$9)	-0.59%
Plumbing Upgrade	Plumbing Upgrade	\$1,482	\$1,473	(\$8)	-0.60%
Smoke Detector	Smoke Detector	\$1,482	\$1,474	(\$7)	-0.49%
Heating Upgrade	Heating Upgrade	\$1,482	\$1,475	(\$6)	-0.40%
Water Safety System	Water Leak Detection - Shut Off And Alarm	\$1,482	\$1,476	(\$5)	-0.48%
Claims Free	5 Year Claims Free	\$1,482	\$1,477	(\$5)	-0.29%
Claims Free	10+ Year Claims Free	\$1,482	\$1,477	(\$5)	-0.30%
Hail Resistant Roof	Hail Resistant Roof	\$1,482	\$1,477	(\$5)	-0.29%
Water Safety System	Water Leak Detection - Shut Off	\$1,482	\$1,478	(\$4)	-0.39%
Water Safety System	Water Leak Detection - Alarm	\$1,482	\$1,478	(\$3)	-0.29%
Deadbolt	Deadbolt	\$1,482	\$1,480	(\$2)	-0.12%

Here are some explanations of the discount categories in the chart above:

Homes are classified by insurers as frame, masonry or superior. You get a bigger discount for a "superior" classification because the floors, roof and exterior walls are made of metal, concrete or other noncombustible material.

Fire resistive materials are those that don't allow electrical currents to pass through, so are favored by insurers.

Burglar and fire alarms are also classified. A system with central monitoring in place is called "central station." These systems are equipped with central monitoring staff who will take action by alerting the police and fire departments and by calling the homeowner to verify the incident. Fire department/police department systems directly alert police and fire departments. "Local" alarms are systems with audible alarms and other features that only alert the homeowner -- there is no auto-response so someone would have to call the police or the fire department.

Now that you have an idea of how much home insurance discounts can save you, let's learn more. This guide will explain how home insurance discounts work, provide examples of home insurance discounts that most insurers offer, show you limits on how much you can save on discounts and suggest other ways to save on your home insurance bill other than discounts.

How do home insurance discounts work?

Common home insurance discounts

Limits on homeowners insurance discounts

More ways to save on home insurance

How do home insurance discounts work?

Similar to car insurance, insurers base your home insurance rates on three factors:

Base rate -- This takes into account your risk factors, such as the location and building materials and age of your home.

Surcharges - Surcharges raise your rate. Examples of surcharges include having a certain breed of dog, pool or other items that are seen as risky to a home insurer. Also, your credit history may trigger a surcharge. Those with bad credit pay more for insurance.

Discounts - Discounts help lower your rate. There are various types of discounts available and they vary by state and company. While one insurer may offer you a 10 percent discount for paying your bill in full, another might only give you a five percent discount. But every little bit helps, right?

When to ask for home insurance discounts

Some home insurance discounts are applied when you buy a homeowners insurance policy, while others go into effect when upgrade your home or make a change to your coverage.

If you buy a new policy, look through your insurer's information for any discounts for which you might be eligible. Don't be afraid to ask your insurance company if you're not sure if you're eligible for a discount. Common discounts you can receive when you purchase coverage include a home and auto bundle and new home discount.

If you already have home insurance, you don't have to wait to renew your policy to get discounts. Contact your home insurance company and provide them documentation in cases such as a new roof or security system. You can start enjoying the benefits of discounts today.

There are also policy-level discounts that may arise over time. For instance you may qualify for a loyalty discount or a claims-free discount if you've had the same policy in effect for years and haven't made any claims. That's why it's prudent to check in with your insurance company at least upon renewal even if you haven't done any work on your home.

Three discounts that save the most: Average home insurance discount savings by state

Here is how the top three home insurance discount savings we surveyed in our rate analysis compare by state. Enter your state abbreviation in the search box to see the average percentage and dollar savings.

New home insurance discount: Texas, Wyoming, California and Kansas lead the pack on highest percentage discount for a new home.

State	Average rate	Average rate after new home discount	\$ new home savings	% decrease new home discount
TX	\$2,643	\$1,416	(\$1,227)	-46.20%
WY	\$1,136	\$540	(\$596)	-43.29%
CA	\$924	\$517	(\$407)	-42.74%
KS	\$3,202	\$1,908	(\$1,294)	-42.50%
KY	\$1,754	\$1,037	(\$717)	-41.90%
NE	\$1,781	\$1,031	(\$751)	-41.83%
CO	\$2,195	\$1,338	(\$857)	-41.32%
NM	\$1,806	\$1,074	(\$732)	-41.26%
AK	\$943	\$534	(\$410)	-41.20%
FL	\$4,811	\$2,734	(\$2,077)	-40.99%
MO	\$1,829	\$1,102	(\$727)	-40.39%
AL	\$1,770	\$1,057	(\$713)	-39.86%
AZ	\$1,400	\$854	(\$546)	-39.71%
TN	\$1,972	\$1,166	(\$807)	-39.43%
LA	\$2,352	\$1,492	(\$860)	-39.23%
NV	\$930	\$577	(\$353)	-39.19%
AR	\$2,513	\$1,581	(\$932)	-38.64%
GA	\$1,246	\$762	(\$484)	-38.59%
MN	\$1,414	\$828	(\$586)	-38.17%
MD	\$1,191	\$739	(\$451)	-37.53%
IA	\$1,342	\$844	(\$498)	-37.48%
OH	\$1,140	\$706	(\$434)	-37.47%
SD	\$1,683	\$1,002	(\$681)	-37.15%
IL	\$1,098	\$685	(\$413)	-36.95%
WV	\$1,354	\$861	(\$492)	-36.57%
IN	\$1,248	\$781	(\$467)	-36.47%
VA	\$984	\$630	(\$355)	-36.17%
MT	\$1,922	\$1,239	(\$682)	-36.15%
PA	\$801	\$516	(\$285)	-35.23%
UT	\$707	\$462	(\$245)	-34.91%

OR	\$806	\$507	(\$300)	-34.79%
WA	\$906	\$581	(\$325)	-33.83%
WI	\$774	\$512	(\$262)	-33.56%
ND	\$1,370	\$898	(\$472)	-33.35%
MI	\$1,057	\$663	(\$394)	-33.25%
HI	\$402	\$270	(\$131)	-33.15%
MS	\$2,422	\$1,648	(\$773)	-33.10%
ME	\$786	\$519	(\$267)	-33.08%
CT	\$1,258	\$862	(\$396)	-32.70%
NH	\$724	\$484	(\$239)	-31.48%
ID	\$923	\$633	(\$291)	-31.32%
DE	\$769	\$523	(\$246)	-31.12%
SC	\$1,506	\$1,124	(\$382)	-30.69%
OK	\$2,487	\$1,692	(\$795)	-29.75%
RI	\$1,272	\$895	(\$377)	-29.40%
DC	\$807	\$555	(\$252)	-26.45%
NJ	\$1,100	\$832	(\$268)	-26.30%
VT	\$660	\$487	(\$173)	-25.71%
NY	\$938	\$705	(\$233)	-24.79%
MA	\$1,273	\$984	(\$289)	-22.93%
NC	\$1,628	\$1,288	(\$340)	-22.66%

Home and auto bundle insurance discount: Maryland, Oregon, Arizona and Ohio net biggest savings

State	Average rate after bundle discount	\$ bundle savings	% bundle decrease
MD	\$874	(\$317)	-25.91%
OR	\$583	(\$223)	-25.22%
AZ	\$1,055	(\$345)	-24.90%
OH	\$845	(\$295)	-24.89%
PA	\$599	(\$202)	-24.46%
AR	\$1,888	(\$626)	-24.40%
KY	\$1,326	(\$429)	-24.27%
ID	\$675	(\$249)	-24.24%
WV	\$1,030	(\$324)	-24.15%
IL	\$837	(\$261)	-23.50%
DC	\$600	(\$207)	-22.71%
KS	\$2,403	(\$799)	-22.67%
MI	\$774	(\$283)	-22.52%
OK	\$1,888	(\$599)	-22.44%
IN	\$964	(\$284)	-21.84%
NM	\$1,416	(\$390)	-21.17%
MO	\$1,434	(\$395)	-20.96%
NC	\$1,265	(\$364)	-20.96%
MA	\$1,008	(\$266)	-20.81%
GA	\$964	(\$281)	-20.72%
AK	\$734	(\$210)	-20.61%
UT	\$563	(\$144)	-20.25%
NE	\$1,393	(\$389)	-20.14%
MS	\$1,940	(\$482)	-20.01%
VA	\$777	(\$207)	-19.97%
WA	\$738	(\$168)	-19.95%
NH	\$582	(\$142)	-19.59%
TX	\$2,116	(\$527)	-19.38%
CA	\$741	(\$184)	-19.32%

TN	\$1,636	(\$336)	-19.26%
MT	\$1,548	(\$374)	-18.85%
RI	\$1,030	(\$241)	-18.79%
ME	\$636	(\$150)	-18.74%
NY	\$773	(\$164)	-18.15%
DE	\$631	(\$138)	-18.05%
CO	\$1,779	(\$416)	-17.84%
AL	\$1,442	(\$327)	-17.82%
SD	\$1,363	(\$320)	-17.30%
LA	\$1,909	(\$443)	-17.17%
NV	\$762	(\$167)	-16.96%
IA	\$1,067	(\$275)	-16.87%
CT	\$1,046	(\$212)	-16.81%
WY	\$945	(\$191)	-15.91%
MN	\$1,170	(\$244)	-15.77%
VT	\$553	(\$107)	-15.67%
ND	\$1,141	(\$229)	-15.41%
SC	\$1,299	(\$207)	-14.35%
WI	\$662	(\$112)	-13.57%
HI	\$358	(\$43)	-11.25%
NJ	\$987	(\$112)	-10.19%
FL	\$4,752	(\$59)	-1.88%

Fire resistive construction home insurance discount: North Carolina, Florida, Massachusetts have highest savings

State	Average rate after fire resistive construction	\$ savings after discount	Average % discount
NC	\$1,181	(\$447)	-27.50%
FL	\$3,616	(\$1,195)	-24.62%
MA	\$989	(\$284)	-22.44%
DC	\$644	(\$163)	-19.21%
HI	\$327	(\$74)	-18.96%
DE	\$626	(\$143)	-18.93%
ME	\$648	(\$138)	-17.78%
WV	\$1,108	(\$246)	-16.82%
MD	\$992	(\$199)	-16.65%
KY	\$1,444	(\$310)	-16.04%
MS	\$2,023	(\$399)	-15.66%
NH	\$608	(\$116)	-14.95%
RI	\$1,103	(\$168)	-14.22%
NY	\$818	(\$120)	-13.92%
LA	\$1,977	(\$375)	-13.86%
VA	\$838	(\$146)	-13.43%
VT	\$569	(\$90)	-13.23%
UT	\$602	(\$105)	-13.22%
WY	\$978	(\$158)	-13.17%
ID	\$793	(\$130)	-13.13%
TN	\$1,636	(\$337)	-13.03%
SC	\$1,295	(\$212)	-12.95%
WA	\$799	(\$107)	-12.54%
CT	\$1,091	(\$167)	-12.24%
TX	\$2,246	(\$397)	-12.22%
AK	\$819	(\$124)	-11.38%
NJ	\$974	(\$126)	-11.24%

GA	\$1,095	(\$151)	-10.02%
SD	\$1,499	(\$185)	-9.98%
NE	\$1,576	(\$205)	-9.86%
WI	\$700	(\$75)	-9.63%
AL	\$1,573	(\$197)	-9.51%
PA	\$709	(\$91)	-9.10%
AR	\$2,274	(\$240)	-8.69%
IL	\$999	(\$99)	-8.10%
NV	\$840	(\$89)	-8.03%
IA	\$1,237	(\$105)	-7.56%
ND	\$1,251	(\$119)	-7.40%
MN	\$1,307	(\$107)	-7.07%
OH	\$1,056	(\$85)	-6.86%
IN	\$1,153	(\$95)	-6.58%
NM	\$1,675	(\$131)	-6.42%
MO	\$1,710	(\$119)	-6.39%
MT	\$1,788	(\$133)	-5.73%
KS	\$2,995	(\$207)	-5.62%
OK	\$2,296	(\$191)	-5.62%
MI	\$991	(\$66)	-5.48%
OR	\$761	(\$45)	-4.84%
CO	\$2,085	(\$110)	-4.71%
CA	\$887	(\$37)	-4.58%
AZ	\$1,361	(\$38)	-3.12%

Now let's learn more about how common homeowners insurance discounts apply. We'll explain some tips for maximizing your savings and touch on discounts not included in our rate data.

Best home insurance companies for home and auto bundle

Based on Insurance.com's rate analysis, new home discounts save more than bundling, but you may not be buying a new house, and chances are you do have a car. If you are buying a new house, read our guide to insurance for new homeowners. But for now, let's look a bit closer at bundling since this is one of the biggest discounts you can get. Saving on both sides is a big plus to having multiple policies with the same insurance company.

Insurers give generous bundling discounts (also called multi-policy discounts) because you're giving them more of your business.

An insurer will usually give you the discount when you start your policy or begin bundling multiple types of insurance.

Here's how insurance companies compare on bundle discounts, based on Insurance.com's rate analysis:

Company	Home and auto bundle discount savings on home insurance
Allstate	24%
Erie	24%
State Farm	24%
Nationwide	23%
Farmers	19%
Safeco	19%
MAPFRE	18%
AAA The Auto Group	17%
Liberty	16%
Travelers	14%
Chubb	10%

Loyalty

One caveat on loyalty discounts: You usually have to remain in good standing and many insurers only offer the discount to people who are claims-free for a certain period of time.

Loyalty discounts are great reasons to stay with your insurance company, but that doesn't mean you shouldn't shop around. It's still a good idea to get quotes from other insurers every few years at a minimum. Your insurer's loyalty discount might pale in comparison to another insurer's new customer discount and other perks.

Being claims free

The way claims-free discounts are applied, like all other discounts, depend on your insurance company's guidelines. Some will give the cost savings if you don't file a claim for three years, for some it may be five or 10. Others will give the discount over a period of years, typically three to 10, and increase it the longer you remain claims-free.

Aside from the discount, before filing a claim, it's always good practice to figure out whether it's worth it. Let's look at an example. Let's say a leaky roof damaged your ceiling. There is a watermark on the ceiling, but there isn't any other damage. You have a \$1,000 deductible and repairs will cost about that amount.

In this case, it's best to handle the repairs on your own dime. If you file a claim, you'd have to pay the \$1,000 deductible AND your rates will likely increase because you filed a claim and because you'd lose any claims-free discount.

In this case, you'd wind up paying more for filing a claim than paying for it yourself.

Before filing a claim, you should make sure that you're not going to actually lose money in the long run because of filing a claim.

Do you get a discount on home insurance if you have a security system?

Yes, you do get a discount for having home security features. The amount of the discount depends on the security enhancements and type of alarm system you install. You'll get more savings for a high-end, central alarm security system that alerts the police of a break-in and includes fire protection than for dead bolt locks and passive burglar alarms that sound, but don't alert the police through a monitoring system.

To qualify for the maximum discount offered by most home insurance companies, your alarm system must include central monitoring that connects to emergency services. When an intruder is detected, it sets off an audible alarm at your house, and the system sends a signal to the alarm company's monitoring facility. The alarm company's monitoring staff usually calls you first, and if there's no response or you report an intruder, the monitor notifies the police or fire department. A less expensive system with monitoring that contacts you but does not notify the police or fire departments may earn some discount, but it will be less.

While peace of mind may be priceless for some home owners, central monitoring security systems typically come with monthly monitoring fees you must pay, which could mitigate any home insurance discount you earn, so bear that in mind when considering the cost benefit of such systems.

Fire prevention and detection: Sprinklers, alarms, smoke detectors, extinguishers

Fire sprinklers, fire alarms, fire extinguishers located on every floor of the house and smoke detectors will all typically earn you a home insurance discount. Sprinklers and fire alarm systems with central monitoring, meaning that the alarm company staff contacts you and the fire department when a fire is detected, earn the biggest discounts.

New customer

Changing insurance companies can earn you a discount. But most insurers only include the discount for a limited period. So, you'll want to figure out whether the discount for a short time period, say a year or two, is worth changing your insurance -- and losing any loyalty discount.

Retirees

Retirees over 55 can enjoy a potential discount. The reasoning is that retirees are more often at home so they will spot a problem earlier than someone who works 9-to-5.

For instance, imagine if a basement pipe bursts and floods the basement one morning. A retiree who spends time at home during the day will likely hear the water flowing and call a plumber -- after hopefully turning off the water to the home.

Being home can avert a flooded basement and thousands of dollars' worth of damage, which is why insurers provide the senior retiree discount.

Non-smoker: How many fires are caused by cigarettes?

You can save money on your home insurance by not smoking, as home insurance companies charge smokers more money.

Improved building materials, fire suppression systems, and fire safety education have led to fewer structure fires, but smoking-related fires and fatalities remain a problem. The National Fire Protection Association's report issued in January states that from 2012 to 2016 an estimated annual average of 18,100 home fires, or five percent, were started by smoking materials. These fires caused \$476 million in property damage, per year, or seven percent annually.

Living in a gated community or belonging to a neighborhood watch or homeowners association keep

A gated community, a neighborhood watch and a homeowners association show insurers that you're a less risk.

Insurers offer modest discounts for these scenarios, so if you fit any of these situations, contact your insurance company.

Married

Being married can typically net a small discount. Having a spouse means you're likely more settled than if you're single. Plus, there is a better chance that someone will be in the house than if you're single.

Inflation adjustment keep

You can get a discount if you're willing to increase your home's dwelling coverage to reflect an inflation increase. Insurers are then able to raise the coverage of your home in case of inflation.

This lets the insurer keep up with rising costs and home rebuilding costs rather than increase the dwelling coverage at renewal time.

Military or other occupational discount

Some insurance companies offer home insurance discounts to active military members. Emergency responders, educators and others may also earn a discount as some carriers offer savings to people employed in these professions.

Limits on homeowners insurance discounts

You've read about all of the above discounts and you're adding them up in your head. Now, for the bad news -- insurers usually place limits on the total percentage of discounts you can receive.

The discount cap varies by insurance company, but can be around 25 to 25 percent in some cases. So getting discounts is great, but at the end of the day what you need to look at is the final premium you'll pay. A company with a lower base premium and fewer discounts may beat out a company that offers many discounts but has a higher overall premium.

How to lower home insurance without discounts

You can lower home insurance costs by doing the following: compare home insurance rates to make sure you're getting the most affordable price, be sure you buy just the coverage you need with the right deductible and get all the home insurance discounts for which you qualify.

Insurance.com's average homeowners insurance rates tool provides rates by ZIP code for 75 coverage levels. It also shows the highest and lowest rate fielded from up to six major insurers. The difference between those two shows how much you can potentially save by comparing home insurance rates.

Another easy way to decrease your homeowners' insurance premiums is to raise your deductible. By simply increasing your deductible from \$500 to \$1,000, you could save hundreds each year. Our "Homeowners insurance deductibles: How to choose the right one" article provides rates by state and shows the savings earned with a higher deductible.

If you are deciding whether to increase your deductible, make sure you have access to money to pay the deductible if you need work. A good idea is to set aside the deductible amount so you will have that money ready in case you ever need it.

There are also cost-cutting steps you can take that don't officially fall under the umbrella of a discount. Instead, your base rate is decreased as part of the underwriting process. An example of this would be having good credit. There's no "good credit discount," but you pay less if your credit is good.

Home insurance discounts are not always automatically applied to policies so it's a good idea to review your insurer's discounts now to see whether there are any that benefit you. And discount and premiums change, so at every renewal you should check with your insurer to see if there are any new discounts you're eligible for and also shop around to make sure your insurer is still the best one for your needs.

Methodology:

Insurance.com in February 2019 commissioned Quadrant Information Services to field rates for up to six major insurers in 20 ZIP codes in every state for the following home owner profile: Married 35-year-old, with a policy that includes \$200,000 dwelling coverage with a \$1,000 deductible, other structures at 10 percent of coverage limit, or \$20,000, personal property limits of \$100,000, loss of use \$20,000, guest medical at \$5,000, replacement value, dwelling replacement at 120 percent. Rates were then calculated to show average percentage and dollar decrease for various home insurance discounts. Some calculations may be slightly off due to rounding issues with rate data.

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