

What is the 'Insurable Value' of your Home?

The Independent Insurance Agents of Maryland

Have you made your house better? Possibly more costly if reconstruction is necessary!



Your coverage may be adequate, especially if it was based upon a reconstruction cost estimate when your present policy was first issued to you, but, since then, have you:

- added a bathroom, sundeck, porch?
- finished or remodeled that basement?
- paneled some rooms?
- remodeled the kitchen or bathroom?
- added central air or other convenience?
- replaced that worn out carpet with hardwood floors?

If you have made renovations to your home, then your coverage may not be adequate and if a loss were to occur, you could possibly be in for a big shock!

What does 'Insurable Value' Mean?

It does NOT mean what you paid for the house, NOR what you could sell if for in today's market. It means the cost to rebuild or restore your home to what it was before it was severely damaged or destroyed, whether by a fire, a windstorm or any other insured event. The 'cost' includes labor and materials, builder's profit and expenses, disposal of debris and, possibly, the extra cost to conform to current building code requirements. The limit of insurance you buy must pay for all of these things.....do you have enough?



Do You Have Enough?



Good Question. The best way to determine if you have enough insurance to cover a loss would be to have a contractor or professional appraiser develop an estimate of the cost to rebuild your home for you. You can also talk to your insurance agent, who may be able to estimate its cost. You do need to have accurate measurements of the outside dimensions of the house and of any porches or decks you may have. Don't round off these numbers. If the front of your house is 24'7", do not round it off to 25 feet. How many corners



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Make sure you are protected!

In the past, it was accepted practice to buy coverage in the amount of your unpaid mortgage, without regard to reconstruction cost. If this is how you chose your current limit, you may be underinsured.

Changes to building codes may force extensive, and expensive upgrading of the whole house if you suffer severe damage, but not total destruction. Ask your city or county about your local building codes. Tell your insurance agent.

In some older homes, there may be additional costs to dispose of hazardous material, such as asbestos shingles or lead paint before repairs can be made—do you have any hazardous materials in your home?

The limit of insurance covering your house, your home, must pay for all of the damages, including some of these expenses that you may not have considered.

Do You Have Enough?