



Building Back Better: Are You Insuring Your Home for the Right Amount?

When it comes to homeownership, there are a number of essential elements that everyone has to take into consideration. For example, there is the matter of routine maintenance. Doing things like updating a boiler or repainting a room aren't just a matter of aesthetics.

In many cases, they are about keeping you, your family and, indeed, the investment you've made in your house protected. Then there are updates that can save you money and improve the environment.

Going green with solar panels is one way to achieve this. But even just weatherizing your windows and doors can make a huge difference in energy usage. And, of course, there is insurance. It can be a little daunting at times, but you know you need it. In fact, banks won't issue you a mortgage without it.



Everybody knows insuring your home against all manner of occurrences is essential for peace of mind and financial health. Whether you're looking at accidental damage, forces of nature or fire hazards, being covered means keeping your home and money safe from the contingencies life can throw at you. With current market conditions, it is essential to understand reconstruction cost and carry adequate policy limits to fully restore your home in the event of a loss .

What is reconstruction cost?

Reconstruction or replacement cost is the cost to hire a contractor to rebuild your home as it is, using the same types of materials as the original construction. This amount could be significantly greater than what you paid to purchase the home or its market value.

Does your home have any unique features?

What custom features might be difficult to replace? These could include granite counter tops, built-in cabinetry, or plate glass shower enclosures that may be purchased at a specialty store or installed by a special contractor. Do I have an older home with features that are difficult to replicate? Older homes often have features such as wider door frames, original hardwood floors and plaster walls that may be difficult to purchase or may require customized building.



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Is my home part of the National Register of Historic Places or a historic society? Historic societies often regulate reconstruction. A plaque that lists the year of construction or notable occupants may help to identify a historic home.

Would it be difficult for builders to access my home for reconstruction? Neighboring homes, landscape features or other aspects of your community that have changed since your home was built can make it more difficult to access the site for construction.

Have building codes in my area changed since my home was built? The reconstruction cost will increase if your home contains lead-based paint or knob and tube wiring that builders will need to remove or replace.

In addition to these considerations, your home's replacement cost includes the cost to clean up debris and other materials prior to construction, the potentially higher cost of materials and labor in your area after a natural disaster and the increased cost to rebuild your home compared to new construction.

Let Us Help

To help you choose a policy limit, your agent can use information about your home including square footage and the year of construction to estimate an appropriate replacement cost.

Review your coverage amount every few years as you update your home to meet your family's changing needs. Additions or enhancements can add to your home's value and increase the replacement cost. Your home is more than just an asset.



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