



## SO YOU THINK YOU HAVE REPLACEMENT COST?

*When a disaster* – big or small hits - you want to know you have confidence that the amount of coverage you have will pay what you expect to be paid. There may be substantial differences between what you expect and what you will recover from a loss – particularly on partial claims. Keep in mind, the vast majority of claims are not total losses so knowing how the policy works and the amount of coverage you have in place is critical.

To have replacement cost on your home, most policies require that you carry at least 80% of the rebuilding cost value (not the market value) as the limit of insurance. If your policy has not kept up with re-building costs, you could fall out of the replacement cost provision and it gives the carrier the right to **depreciate** a loss. Also, were you aware that insurance companies have the right to “hold back” the difference between the depreciated loss and replacement cost – until repairs are approved and have begun?

Similar requirements exist on your personal property (e.g. tables, pianos, furnishings) and even a different set of requirements for special property like jewelry, art or any of your valuable collectibles. For example, are you carrying special coverage for your jewelry at the value you paid for it? Has that value kept pace with the rising price of precious metals?

So don't guess – get it done the right way, *right now*. Call our specialist, Mike Quirk at 240-864-9176. We're here to help you know what to expect before a loss occurs.



**Early, Cassidy & Schilling, Inc.**

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