



Dwelling Guaranteed Replacement Cost Insurance

When homes are damaged beyond repair there are added costs.

Add Guaranteed Replacement Insurance and the risk of having the wrong amount of insurance becomes that of the insurance company, not yours. The company is obligated to pay enough to build the home back new.

The replacement value estimate used to purchase the right amount of dwelling insurance can be miscalculated.

Debris demo and transportation adds up.

Clearing a site can add up. \$10,000-\$15,000 or more can be spent excavating the site and removing debris. Some types of debris must be transported to a specialized facility / landfill for processing. The closest landfill / processing facility for some types of debris may be over 100 miles away.

Demolition of concrete foundations, footings & flooring is expensive.

Breaking up and hauling out the concrete walls and foundation and then preparing the site for new construction costs more than starting from an empty lot. Demolition / transportation of concrete walls, foundations and footings and floors can easily be \$10,000 to \$15,000.

Contractor's estimates are sometimes too low.

Sometimes they discover additional problems which increase costs that were not part of their estimate. Who is going to pay?

What if someone makes a mistake in calculating home value?

They didn't have the right dimensions or other information.
They used basic quality instead of custom or architect quality.
They missed additions, features or finishes, or didn't add correctly.
They forgot about a finished basement, or missed the quality of kitchen.
They didn't use the right labor rates for quality contractors in your area.

How most policies work:

You purchase a home insurance policy and the insurance company estimates the replacement/reconstruction cost. It is just that – "an estimate." The insurance policy limit is the limit paid if your home is destroyed by an insured loss.

Example \$300,000

Most home policies also have a provision that if the insured amount, for example \$300,000, isn't enough the policy can pay up to an additional 20% of that amount. Example: 20% of \$300,000 = \$60,000 for a total of \$360,000.

When a **major storm destroys many homes**, both building material and labor costs go up. We see labor and material costs go up with major hail storms - a tornado would be no different. At a minimum, the better contractors are working overtime and labor costs could be as much as 50% more.



Get a Quote!

We represent more than 12 top ranked companies. Using the Free Consumer Rate Quote program, Select "Homeowners" and simply enter the required information. Your quote will be ready for you in about 5 minutes. You may choose to include both "Auto and Home" in a single policy quote request. Just include the additional information and wait a few more minutes for your results.

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