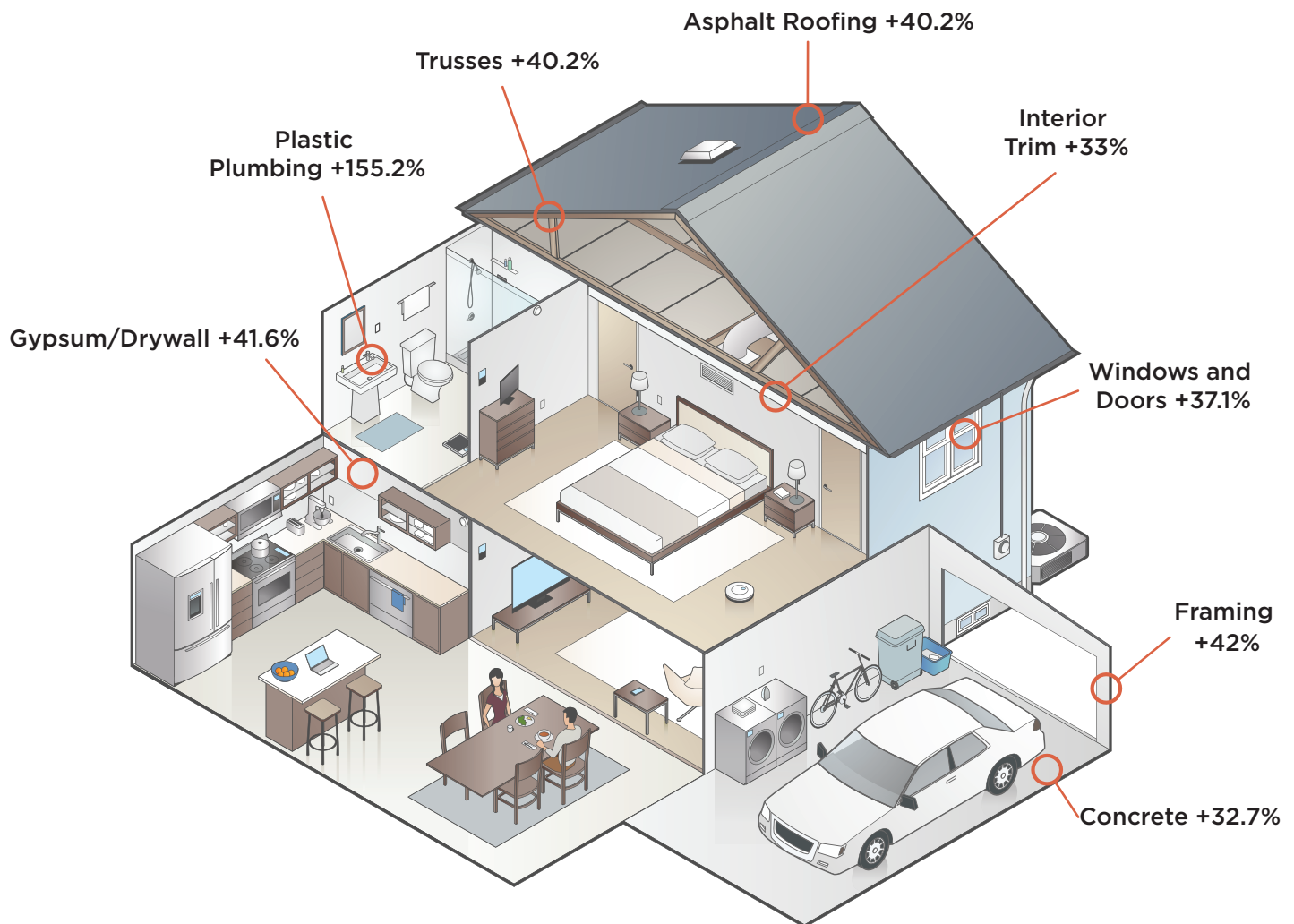


UNDERSTANDING YOUR HOME'S REPLACEMENT COST

Rising building costs impact more than remodeling costs.

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.

Increasing demand for materials and labor are pushing construction costs through the roof, leaving many homeowners unsuspectingly underinsured. Consider the change in material costs from January 2020 to December of 2023, according to www.bls.gov.



Trends influencing increased pricing:

- increasing amount of weather events since 2017 such as wildfires, floods and hurricanes
- lumber tariffs impacting framing, trusses, sheathing (plywood), finishing trim, cabinets, doors, windows and flooring
- decreased supply and increased demand inflating labor costs



















Costs are subject to change and may be higher or lower in your geographic region. Cost increases cited were valid as of December 2023. Based on the national average in the Producer Price Index.

MITIGATING LOSS

Increasing your home's protection can decrease your insurance bill.

You can take steps to control insurance costs and in some cases help prevent losses that will save you time, money and heartache.

- | | | | |
|---|----------------------------------|--------------------------------------|---|
|  | Automatic Water Shutoff | Temperature Monitoring System |  |
|  | Central Fire Alarm | Backup Generator |  |
|  | 24-Hour Signal Continuity System | Explosive Gas Leak Protector |  |
|  | Sprinkler System | Automatic Seismic Shut-off Gas Valve |  |
|  | Central Burglar Alarm | Lightning Protection System |  |
|  | Perimeter Gate | Building Protection |  |
|  | Security Protection | Surveillance Cameras |  |
|  | Caretaker | Elevator Protection |  |

Discounts not available for all loss control items above or in all states. Contact your independent agent for available discounts in your state.



Everything Insurance Should Be®

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