

Protecting Your Home

INSURING YOUR HOME FOR THE RIGHT AMOUNT

Understanding Reconstruction Cost and Market Value



Take a moment to imagine the life of your home. You invest in making your home safe, comfortable and perfectly suited to your family's changing needs. Unfortunately, it only takes one fire or storm to undo all your hard work. That's why it is important to 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 like kind and quality of materials as the original construction. This amount could be significantly greater than what you paid to purchase the home or its market value.

Consider your home's unique features

Use this checklist as a guide when talking with your agent about the factors that may affect your home's replacement cost:

- What custom features might be more costly to replace?** These could include one of a kind or custom features that require highly specialized or skilled contractors.
- 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.
- 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. Homes may be part of historical districts where entire blocks of homes may be subject to more restrictive rules regarding renovations. Your real estate agent or local town hall may be able to assist you.
- Have building codes in my area changed since my home was built?** The reconstruction cost may increase if your home does not conform to modern building codes. Your builder can help identify these and discuss what is needed to bring them up to code.

Consult the experts

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. Cincinnati offers inspections to help verify the estimate at no additional cost.

For information, coverage availability in your state, quotes or policy service, please contact your local independent agent recommending coverage.

Keep your coverage current

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. Cincinnati and your independent agent are ready to help you ensure that if disaster strikes, you can get back to normal.

Thank you for trusting your independent agent and Cincinnati to protect your home.



Everything Insurance Should Be®

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