



ARBELLA™

INSURANCE GROUP



PROTECTING
YOUR MOST
VALUABLE ASSET

INSURING THE
FULL VALUE OF
YOUR HOME —
WHAT YOU
NEED TO KNOW

IS YOUR HOMEOWNERS POLICY PROTECTED?

ACCORDING TO EXPERTS, *two-thirds of all homes in America are currently underinsured by at least 27 percent.*

In recent years, devastating fires in California and severe hurricanes in various parts of the country have brought this issue painfully to the fore. The trauma of these disasters was dramatically worsened when many learned that their most valuable asset could not be replaced due to inadequate insurance.

How does this happen? There are lots of reasons, but one stands out: Homeowners too often fail to let their agents know about improvements or additions to their homes.

In the event of a loss, the amount of your settlement is determined by the limits of your policy. You may find that the actual cost of rebuilding or restoring your home to its original condition far exceeds that. That's why keeping your policy limits up to date is the only way to make sure you'll be fully covered.

Experience shows that within the second to seventh year of home ownership substantial remodeling often takes place. Some common projects include:

- **upgrading kitchens and baths**
- **converting basements to family rooms**
- **adding decks and patios**

Each of these changes adds significantly to the market value and the replacement cost of a residence, and your insurance coverage should be properly adjusted to protect these enhancements.



PROVIDING ALL THE PROTECTION YOU NEED



An example:

Say you insure your home for \$300,000 upon purchase. After a couple of years you upgrade the kitchen and two bathrooms. A while later you add a den and an extra bedroom. All told, you've put lots of money into the house and increased its actual replacement cost (the amount you would need to rebuild in the event of a total loss) by \$100,000.

If your home is then totally destroyed by fire or other catastrophe, your insurance would only provide coverage up to the \$300,000 policy limit, leaving you \$100,000 short. Even if you have an endorsement which provides additional coverage for your home, your recovery would be limited to no more than 125 per cent of the policy limit, or, in the example, \$375,000.

And that's not all. Even partial losses may not be fully reimbursed if your coverage is inadequate.

NEED?

INSURING THE FULL VALUE OF YOUR HOME — WHAT YOU NEED TO KNOW.

What can you do?

Making sure you have adequate coverage is the only way to protect yourself. **We strongly recommend that you carry coverage that represents 100 per cent of the current replacement cost of your home.** Let your agent know promptly whenever you make changes or improvements. That's the best thing you can do to make sure your policy keeps up with your home's growing value.

And keep in mind that even with no improvements on your part, the rising cost of materials and construction may leave you underinsured and unable to restore your property to its original condition. You may be surprised to see just how much the simple passage of time can affect such costs. That's why it's important from time to time to have your agent analyze the replacement cost of your home.

Do it today! If you've made improvements to your home, now is the time to act. And even if you haven't, it's a good time to make sure your policy is all that you need it to be. Call your agent and ask for an analysis of the replacement cost of your home. Why not give yourself the peace of mind you deserve?

THE ARBELLA INSURANCE GROUP

THE ARBELLA INSURANCE GROUP was founded in 1988 and is a customer-focused regional group of property and casualty insurance carriers. We provide personal and business insurance in Massachusetts, business insurance in Rhode Island and personal insurance in Connecticut. Arbella has a reputation for exceptional service built upon a foundation of financial strength, with more than \$650 million of annual written premium and more than \$1 billion in assets.

We work with more than 500 local professional agents ready and willing to help you with advice and guidance as you choose your personal insurance program with Arbella. Please call 1-800-ARBELLA or log on to arbella.com to locate an agent near you.





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