

Policy Review

When was the last time you sat down with your insurance agent and reviewed your insurance coverage? During the course of a year you may make changes or purchases that may affect your insurance policy. It may be a piece of jewelry, boat, recreational vehicle, farm equipment, an addition to your home or a new building. It is important to review your policy at least annually to make sure you have the coverage you need and/or to adjust the values on the items you insure. The following is a list of items to consider or review with your agent:

INSURE TO VALUE

Don't let an accident, fire, water damage, vandalism, or theft cause you, your family, or your business financial burden. Learn more about insuring to value and the difference between replacement cost, actual cash value, and market value.

Is your home, farm and property adequately insured?

Rebuilding a home or farm building is often more expensive than new construction. Contacting a local contractor to request an estimate for replacing your home or farm building can help determine the value of the structure.

You can estimate the replacement value of your personal property such as furniture, equipment, electronic devices, clothing, and even the items in your kitchen by keeping record of receipts. Have items such as antiques, jewelry, valuable artwork, or other hard-to-replace items appraised and include the total in your valuation. It is important, if you have to file a claim, that you have a complete and accurate home inventory.

On your farm, take inventory of your grain, livestock, machinery and miscellaneous items and estimate the average value of the property you have on hand. Keeping receipts will also help determine how much your inventory is worth in the event of a loss.

Be sure to visit with your agent about the following insurance terms and what they mean to you and your insurance cost and coverage.

What is replacement cost?

Replacement cost is the cost to replace an item or property after it has been destroyed or damaged beyond economical repair with a replacement item of like kind and quality. This applies unless the limit of insurance or the cost actually spent to repair or replace the damaged property is less.

What is actual cash value?

Actual cash value is the cost to replace an item or property with a new item or property of like kind and quality, less depreciation. The formula used to figure actual cash value is replacement cost minus depreciation.

What is depreciation?

Depreciation is the deduction in value of an item or property based on the age and useful life of that item or property.

What is market value?

Market value is the value assigned to an item or property because of its location or economic desirability. It is the price that the item or property would be worth in an open and competitive market or at auction.

Contact your agent to learn more

Be sure your insurance policy provides the necessary coverage you need should disaster strike. Contact your agent today to review your current policy or to get a quote for your home, farm, and personal property.