

Is Your Insurance Coverage Adequate?

The Joint Insurance Association suggests that you take the time to review your coverage limits and determine if you are adequately protected.

The following information is a summary of the dwelling and building coverage limit provisions provided in the Homeowners, Dwelling Fire, and Commercial Fire Programs offered by the Association.

Homeowner 2 – Broad Form: The policy provides building loss settlement on a replacement cost basis if at the time of loss the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

If, at the time of loss, the amount of insurance provided by the policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under the policy that applies to the building:

- 1) The actual cash value of that part of the building damaged; or
- 2) That proportion of the cost to repair or replace, after application of any deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in the policy on the damaged building bears to 80% of the replacement cost of the building.

Homeowner 4 – Tenants Contents Form: The policy provides for loss to contents (Personal Property) on an Actual Cash Value basis for your personal property including furniture and clothing. In the event of a loss the applicable deductible will be applied.

Homeowner 6 – Condominium Owners Contents Form: The policy provides for loss to contents (Personal Property) on an Actual Cash Value basis for your personal property including furniture and clothing. In the event of a loss the applicable deductible will be applied. The policy can also provide coverage losses resulting from damage to the alterations, appliances, fixtures and improvements contained within your unit; as well as items of real property which pertain exclusively to your unit. You should check with your Condominium Association as to what part of your unit is your responsibility. In the event of a loss the applicable deductible will be applied.

Homeowner 8 – Modified Coverage Form: The policy provides building loss settlement on a functional replacement cost basis, without any coinsurance provision. In the event of a loss the applicable deductible will be applied.

Dwelling Fire Program – Loss Settlement (DP 00 01): Covered property losses are settled at actual cash value at the time of loss but not more than the amount required to repair or replace the damaged property, and not more than the coverage limit being provided under the policy. In the event of a loss depreciation is taken into consideration with the applicable deductible being applied.

Commercial Fire Program – Valuation (CP 00 99): The value of Covered Property in the event of loss or damage at actual cash value as of the time of loss or damage. An additional condition pertains to coinsurance, if a coinsurance percentage is shown in the Declarations; we will not pay the full amount of any loss if the value of Covered Property at the time of loss times the coinsurance percentage shown for it in the Declaration is greater than the Limit of Insurance for the property. You will have a coinsurance penalty applied and you will have to share in the loss. In the event of a loss the applicable deductible will be applied.

If you would like to adjust your building or contents coverage limit after taking this information into consideration, please contact your producer or submit a written request to the Association.