

INSights



A FOREST INSURANCE PUBLICATION



Important Facts About Roof Coverage

With increased frequency in wind and hail storms, much has changed with insurance over the last few years regarding how insurance companies pay for roof damage. Instead of raising rates, most, but not all, insurance companies have started to cut coverages in many areas of the home insurance policy. The roof being one of them.

In the past, you would have had 100% replacement cost for your roof after the deductible. Now, many companies are reducing the coverage they provide depending on the age of the roof.

ACV VS. RCV

Some companies have begun offering to cover roofs for ACV (Actual Cash—*depreciated*—Value) rather than RCV (Replacement Cost Value). What might initially look like an appealing, lower premium alternative can, in the end, result in homeowners caught off guard—and without sufficient financial resources to pay for roof repairs after a loss occurs.

If you live in an area where windstorms and hail are prevalent, the decision you make about this coverage could mean the difference between paying out just your homeowners policy deductible or your deductible plus depreciation costs. Depending on the age and cost of your roof, this could add up to thousands—even tens of thousands—of dollars!

As with any other covered property in your homeowners policy, your roof is subject to either ACV or RCV when you suffer a covered cause of loss. If your policy is for ACV—again, *depreciated value*—your insurance company will pay the actual cash value of your roof at the time of a covered loss. This means the actual cash value minus your deductible amount minus the depreciation cost according to the age of your roof. Generally, the older your roof, the higher the amount depreciated—or not covered—under your policy.

If your policy is for RCV, your insurance company will pay the replacement cost value of your roof at the time of a covered loss. This means the replacement cost value minus your deductible. There is no deduction for depreciation under the RCV valuation method.

MAINTENANCE IS KEY

Most companies will deny a claim if the roof has not been properly maintained and an insurable event—such as a hailstorm—happens, claiming poor maintenance (which is excluded) caused the claim. Thankfully, many Forest Insurance carrier's policies still pay 100% of the claim subject to the policy language. Some do not and we, or the insurance company, will inform you—allowing you to buy back coverage or even switch companies.

THE BOTTOM LINE

The best course of action is to buy the right coverage, maintain your roof, and replace it as needed. And always keep evidence of your roof's age. If you have an older roof—15 years more more (unless it's tile)—you will have fewer insurance companies to shop from that provide 100% coverage.

Insurance valuation methods can be confusing and difficult to determine based on your individual needs and circumstances. For the best outcome, don't go it alone when making important decisions that could end up costing you thousands in the end. Instead, speak to your agent about what type of roof valuation method is best for you. Forest agents will review your existing policy and help you identify coverage issues that might impact your finances—such as an age limit exclusion on your roof, a separate deductible for windstorm or hail damage, or other excluded roof damage. They'll also know the right questions to ask to make sure you're properly and adequately covered, such as whether or not your mortgage lender requires RCV (some do), and how much out-of-pocket expense you can afford in the event of a sudden loss, such as windstorm or hail damage. ▲

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FACTS ABOUT ROOF COVERAGE

TRIVIA

MILESTONES

HAPPY 35, DAVID KLANS!

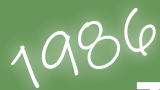
CHARITY OF THE QUARTER

CLIENT(S) OF THE QUARTER

SIMPLIFY YOUR LIFE

REFERRALS

For more information roof and home coverage, contact Forest Insurance at 708-383-9000.



*Congratulations to **June Goers**, who correctly guessed the answers to last issue's trivia & bonus trivia questions were Tom and Jenny—the popular boys' and girls' name young turkeys are referred by. Thank you to everyone who submitted answers.*

—Dan Browne, President, Forest Insurance



Charity of the Quarter West Cook YMCA

For every referral we received during October, November, and December, we made a \$10 donation to the [Oak Park River Forest Infant Welfare Society \(IWS\)](#). In all, we were able to donate \$370 to IWS during the fourth quarter of 2020. Thank you for helping support a wonderful organization!

For 2021, our Q1 Charity of the Quarter is the [West Cook YMCA](#). So, for every friend, colleague or family member you refer to us for a quote from January through March, we'll send YOU a \$10 gift card and also donate \$10 to West Cook YMCA! ▲

Since 1903, the [West Cook YMCA](#) has served its members from Oak Park, River Forest, Forest Park and the surrounding areas through youth development and healthy living programs to those who need them most—this is Y's social responsibility.

As the COVID-19 pandemic continues to dramatically impact members, staff, and community, the West Cook YMCA continues to respond to the ever-changing needs of the community by:

- Working to reduce social isolation and ensure everyone has access to a healthier lifestyle anywhere, anytime through access to the Y facility and programs or through digital content in the Virtual Y platform.
- Providing remote learning supervision childcare in partnership with River Forest School District 90 to ensure students stay connected and engaged in their class.
- Providing West Cook YMCA residents a healthy and safe place to live with access to rent assistance, meals, and telehealth for those impacted by the pandemic.
- Providing PPE to older adult members, residents, staff, childcare participants, and community partners.

All YMCA programs encourage, teach and demonstrate the character values of caring, honesty, respect and responsibility. Collectively, YMCAs are the largest not-for-profit community service organization in America, and are at the heart of community life in over 2,800 neighborhoods and towns across the U.S.

As a cause-driven organization, they are focused on youth development, healthy living, and social responsibility—and never turn anyone away for inability to pay.

For more information, visit www.westcookymca.org. ▲

CLIENT(S) OF THE QUARTER

Congratulations to Paul & Cheryl Harding—who were randomly selected from the list of clients who referred business to Forest Insurance last quarter. We'll be sending Paul & Cheryl a \$100 Visa Gift Card as our way of saying thanks.

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ALL YOUR INSURANCE
ACCOUNTS

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Jewelry | Fine Art
Private Client
Aviation | Life
Business | Commercial

REFERRALS

When you refer someone to Forest Insurance, we'll send you a \$10 gift card and enter your name into our quarterly raffle. In addition, we'll also make a \$10 donation to our Charity of the Quarter, which, January through March, is the [West Cook YMCA](#).

Thank you to our clients who referred a friend or family member during October, November, and December:

Aerials Inc.
Anthony Cuda
Berenice Robledo
Bob & Linda Loro (2)
Calvin Martin & LaToya Spann-Martin
Cannan Aviation Inc
Catherine Morgan & Mark Sitzman
Cheryl & Miles Jackson
Cuda Law Offices, Ltd.
Deborah Knight
Dulce Hogar Inc
Estrellitas Del Futuro Inc.
Gary Collins
Gay Schreiber
Gina & Kip Robbins (2)
JAE Express, Inc
Katherine Susmilch
Kevin Hayden & Christine Baissac-Hayden
Larry & Carol Althoff
Michelle Miller
Paul & Cheryl Harding
Peter & Tracey Makaris
Richard & Linda Martens
Richard Morey
Riordan Electric Inc
Rising Stars Day Care & Learning Center
Rosmary Day Care Corp.
Steve Kovic
Together for Childhood Network (4)
Tom & Cameron O'Connell
Tom & Rachel Tednes
Typo Production Co., LLC



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Cathy Hall

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Our Team



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Melissa Keshen



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Diane Villagomez



Cecilia Saavedra



Maria Lopez



Cristine Saucedo



Susan Huizinga



Bonnie Casper



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Judy Shelstad



Marcia Johnson