



AGREED VALUE CLAUSE

Most standard insurance policies contain a “Co-insurance Clause” requiring policyholders to insure buildings to within a specified percentage of replacement value (usually 90%). Failure to do so can result in a penalty that is equivalent to the proportion that the building is underinsured at the time of an insurance claim, even in a partial loss!

For example; a building with a cost of \$1,000,000 to rebuild that is insured for \$500,000 is only 50% covered and therefore fails to meet the 90% minimum Co-insurance requirement. The maximum that a policyholder can expect to receive in a total claim is \$500,000. However, the vast majority of insurance claims are partial losses. If there is a small fire, smoke or water damage claim that costs \$100,000 to repair, the insurance company has the right under the terms of the Co-insurance Clause to offer settlement based on 50% of the cost of repairs, thereby leaving the underinsured church with a \$50,000 bill. With the dramatic increases in construction costs over the past few years, your building coverage amount may have inadvertently fallen below the standard 90% requirement.

As an alternative to Co-insurance, Church Protection Plus coverage is available with an optional “Agreed Value Clause” which replaces the Co-insurance requirement and eliminates the penalty.

If you do not have “Agreed Value” protection and wish to qualify, please complete, sign and return the enclosed “Statement of Values/Building Update Form” and return to our office for review and approval. If your current policy coverage amounts adequately reflect replacement value, then there is no additional premium for this option! However, if your current policy coverage amounts do not match the replacement value indicated on the form, your coverages and premium will be adjusted accordingly and the Co-insurance penalty will be removed and replaced with an Agreed Value Clause.

In order to assist you in determining the value of your building(s) we now offer a “no-cost” valuation based on your completed Statement of Values / Building Update Form. Just complete the form fully (both sides) and check off the box titled “We want a no-cost building valuation”.

As a reliable and economical alternative to formal on-site replacement cost appraisals, we also recommend the remote appraisal service available for properties located across Canada through the Veri-Cost CARES Property Appraisal Services. For more details about their services and for full details of the special discounts available to Robertson Hall clients, please contact them directly at 1-888-222-1588 or visit their website at www.veri-cost.ca

WE’RE HERE TO HELP!

For more information or an exact premium quotation for any of these coverage options, please contact us at 1-800-640-0933 or churchinsurance@robertsonhall.com

www.robertsonhall.com

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