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FOR IMMEDIATE RELEASE

Most Homes Underinsured According to Study

Two out of three homes could be at risk in Wisconsin.

MADISON, Wisconsin (September 18, 2006) – Sixty one percent of U.S. homes are undervalued by an average of 25% according to a 2004 study by Marshall & Swift/Boeckh, a leading building cost information company. That means almost two out of three homes could be underinsured, according to the Professional Insurance Agents of Wisconsin (PIAW).

“Insurance is based on the cost to rebuild your home if it is destroyed, not how much you think you can sell it for,” says Ron Von Haden, CIC-Executive Vice President, PIA of Wisconsin. “Changes in how insurers are writing their policies, increasing construction costs and home improvement projects could result in inadequate coverage for your home.”

Von Haden suggests that home owners protect themselves by being proactive. “When you make improvements to your home or make big ticket purchases, call your insurance agent to update your policy,” he says. “Ask your agent about the difference between the various forms of homeowner’s coverage. While all forms insure damages to your home, some forms provide broader coverage for the structures and the home’s contents as well.”

“Check your policy or ask your agent if the amount of protection on your home automatically increases each year,” Von Haden continues.

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When you receive your homeowners insurance renewal notice, take the time to review it and determine whether or not you have adequate coverage. Make sure your policy contemplates rebuilding costs such as debris removal and the lack of seasonal discounts that may have been used during original construction.

Following is a list of guidelines to help you maintain adequate insurance coverage.

- Have you made any big home improvements? (Built a deck, finished a basement, added another room, remodeled the kitchen, etc.)
- Has it been more than a year since your agent last calculated your home's value?
- Have home values-or building costs-in your area risen or fallen dramatically in recent months?
- Do you have a home that would be considered historic or unique in some way? Ask your agent about special policy types or coverage in the event of a loss.
- Does your valuation include the value of the land under your house? If yes, you may be over-insured: land value should not be included.
- Home Contents: most policies insure the contents of a home for some percentage of the total replacement cost of the structure (50% to 80% is common). Check with your agent to find out what your policy covers.

For more information or to locate a PIA member near you, go to www.PIAW.org.

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