

## Your Home's Value—When It Comes to Insurance

We often hear questions such as, “Why would I want to insure my house for \$240,000 if it’s only worth \$120,000, according to my property taxes?” The reason is that when you buy homeowners insurance you’re not insuring the market value of your home. You’re protecting yourself against financial loss if catastrophe would occur. Would it cost more than \$120,000 to rebuild your home from scratch? The answer is usually yes.

That’s why it’s important to insure your home at the level it would cost to **replace** it—not its market value. Although it might seem like you’d save money if you insured your home for its market value, you could end up worse financially if disaster hits.

It might seem strange to think about. People are inclined to think in terms of value—how much is your car worth? How much did you spend on that coat? But when it comes to insuring your home, the current market value isn’t necessarily the most important aspect. Keeping yourself protected from financial disaster is.

As an Erie Insurance agency, we help figure out what coverage is right for you, depending on certain variables including location and recent improvements you’ve made to your home. Give us a call. 585-394-2790

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