

“A Funny Thing Happened On the Way To R. C.”

In October of 2002, an income tax client of mine asked me for a homeowners insurance quote. She was closing on one of the new homes in Brooklyn’s Bedford-Stuyvesant community. More than happy to oblige, I gathered information about her future home from her and the developer, whom we’ll call A. D. I did this to calculate what is known as the **replacement cost** for her home. When calculated, this **replacement cost** estimate gives me the amount of insurance required to rebuild a particular home based on the current rebuilding costs in this area.

Her quote was based on the then replacement cost amount of \$260,000 of coverage. So imagine my surprise when she informed me that my quote was, in one case, ***\$400.00 more than a competitors! Why the difference in premium? The other company's quote was based on only \$160,000 of coverage, not enough to replace the home even then!*** And believe me, that would create a huge difference in premium.

What did I do? I called the developer again and asked them what, in their expert opinion, it would cost to rebuild the homes they had just completed. (I thought it would be a good idea to ask them seeing as how they built them in the first place.) Their reply? ***\$270,000!*** So allowing for some profit and the fact that should disaster occur, you won't have to reexcavate the foundation, ***my estimate of \$260,000 was right on the money.*** I shared these facts with my client, and she in her infinite wisdom purchased my policy, giving her the protection she needed for her new home.

So please, find your homeowners insurance policy and see just how much coverage you have. And then, ask yourself the question:

"Is this enough coverage to rebuild my home brick for brick, board for board and nail for nail should disaster strike?"

And if it isn't, then ask yourself the most important question of all:

“Where will I get the money to completely rebuild my home?”

Not sure? Then go back to the Insurance page and click on the link for the "Property Insurance Quote Worksheet." You can complete the form and fax it to me at 718-783-2203. Or call me at 718-783-2722 and we'll set up a mutually convenient appointment where together we'll determine your home's replacement cost estimate and I'll provide you with an insurance quote.

Make it a great day.