



# K a n s a s I n s u r a n c e D e p a r t m e n t

**Sandy Praeger**

COMMISSIONER OF INSURANCE

**FOR IMMEDIATE RELEASE**

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## **PRAEGER ADVISES HOMEOWNERS TO CHECK POLICIES**

*Insurance Commissioner Says Many Homes are Under-insured*

Kansas Insurance Commissioner Sandy Praeger today advised Kansas homeowners to review their insurance policies to make sure they are adequately protected against potential fire or storm losses. “Many homeowners have a false sense of security when it comes to their homeowner’s insurance policies,” said Praeger. “They believe their policy limit will be sufficient to rebuild their home, when it may not. Increased cost of construction, changes in building codes and inflation can all take a toll on the adequacy of their coverage. Kansas consumers need to know how their coverage would affect them—especially in the event of a total disaster.”

Many homeowners believe their insurance policies will cover the full cost of repair or replacement of their home if it is damaged or destroyed. But, Commissioner Praeger recommends that all Kansas homeowners regularly review coverage amounts with their insurance agent to protect their assets from loss. Very few insurance companies offer a guaranteed replacement cost coverage policy. Some have policies providing up to 25% above the face of the policy, if construction costs exceed the policy’s amount.

“The key to making insurance policies work for you, is to constantly monitor your coverage and update it, whenever necessary,” said Praeger.

A report by Marshall & Swift/Boeckh indicates that nearly 75% of all homes in the United States are undervalued for insurance purposes by an average of 35%. Marshall & Swift/Boeckh, a firm based in New Berlin, Wisconsin, provides building cost data to the insurance, construction and appraisal industries.

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