

RAISING THE ROOF ON INSURANCE COVERAGE

PROBLEM STATEMENT

Missouri's unpredictable severe weather makes it critical for homeowners to better understand a key component of their homeowners policy—roof coverage. The department receives many consumer complaints where homeowners had not increased their roof coverage or understood the parts of their policy related to their roof. In an insurance claim, the amount deducted for depreciation may be significant, especially if the damaged property was at or near the end of its useful life. For example, if your 20-year-old roof is destroyed by a covered cause of loss and must be replaced, the policy that pays Replacement Cost Value (RCV) will cover the full cost to replace the roof. However, an Actual Cost Value (ACV) policy may pay as little as 20 percent of the cost to replace the roof, since the useful life of a roof is usually about 25 years.

ACTION

The Missouri Department of Commerce and Insurance formed an internal working group that created a free and unbiased [online tool](#), about roof coverage to assist homeowners explore their options before the 2021 spring storm season arrived. This DCI service was developed to provide free analysis of the top twenty homeowners insurance companies in Missouri. If a company is not listed, this comparison shopping tool is available to help the shopper ask the right questions and record information as they research options for new coverage or seek to understand their existing coverage. DCI recommends that consumers check their homeowners insurance policy or contact their insurance agent or company to see whether their policy provides replacement cost coverage.

RESULTS

Creating this online tool gives consumers a resource that provides free analysis of the top twenty homeowners insurance companies in Missouri in one spot.

