



Southwestern Insurance Information Service

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NEWS RELEASE

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MANY TEXAS HOMEOWNERS ARE UNDER-INSURED, INDUSTRY TRADE GROUP WARNS

Reliable estimates reveal that between 50 to 70 percent of homeowners do not have enough insurance to rebuild their homes in the event it is completely destroyed, an insurance industry trade group said today.

“It is unfortunate that many people living in Texas do not come to this realization until they have sustained catastrophic damage and discovered their insurance coverage falls far short of the cost to rebuild their home,” according to Jerry Johns, president of Southwestern Insurance Information Service.

This was dramatically pointed out following a series of hurricanes in Florida and wildfires in Arizona and California when people found there were not enough insurance dollars to replace what was destroyed, he said.

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“There is no better time than now to revisit the amount of insurance carried on a home and be certain it is sufficient to cover a major loss,” he added. “Storm season is about to reach its peak in Texas.”

Replacement cost is amount necessary to reconstruct your home and should not be confused with the tax appraisal of your home, he stressed.

Johns suggested talking with your insurance agent or calling your insurance company directly to discuss these topics.

“Insuring a home to its full value is not exclusive to hurricane affected areas,” he said. “It is not uncommon for devastating tornados or a fire to destroy homes in just about every region of Texas.”

“Some of the things a homeowner should consider are any improvements such as upgraded bathrooms, kitchens or other unique features to a home, local building codes and increases in construction costs,”

Johns noted.

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“It is also a good idea to maintain a current inventory of personal items in a home” he went on. “A video tape or hand-written account should be kept in a safe place away from the home.”

“It would be a sad experience to suffer the complete destruction of a home and find out that it was underinsured by thousands of dollars,” he concluded.

SIIS is the oldest regionally-based insurance trade association in the country serving the insurance industry and their customers for over 50 years.

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