



# National Real Estate Insurance Group

When selecting property insurance coverage with NREIG, consider a choice of two loss settlement methods: Replacement Cost and Actual Cash Value.

## REPLACEMENT COST (RC)

*Replacement Cost coverage allows claims to be settled with reimbursable depreciation.*

**EXAMPLE** – A house insured for \$85,000 sustains a loss of \$40,000.

The value of the loss is determined to be \$40,000.

The deductible is \$3,000.

The insurance company will pay no more than \$37,000.

The Actual Cash Value of the loss is determined to be \$32,000.

The first check will be issued for \$29,000 (Actual Cash Value minus deductible).

The second check for “reimbursable depreciation” will be issued, upon completion of the repairs and provided receipts, for up to \$8,000, but not to exceed \$8,000 (RC minus depreciation).

## ACTUAL CASH VALUE (ACV)

*Actual Cash Value settles claims with depreciation.*

**EXAMPLE** – A house insured for \$85,000 sustains a loss of \$40,000. The damage is depreciated by 20% because of the age of the item(s) damaged.

The value of the loss is determined to be \$40,000.

The deductible is \$3,000.

The insurance company will pay no more than \$37,000.

The Actual Cash Value of the loss is determined to be \$32,000.

The check will be issued for \$29,000 (Actual Cash Value minus deductible).

National Real Estate Insurance Group is the nation's leading agency offering coverage options for real estate investors across the country. Our lineup of products includes: REIGuard, LandlordGuard, PMGuard, TurnkeyGuard, and LenderGuard.

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**NREIG.com**

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