



## PRO BID CONSTRUCTION & ROOFING

*A Homeowner's Guide to Understanding Your Insurance Policy*

# What Does a “Perfect” Homeowners Insurance Policy Actually Look Like?

*Most homeowners don't find out their policy has a gap until they're in the middle of a claim — and by then, it's too late to fix it. This guide walks through what real, adequate coverage looks like, so you can check your own policy before you ever need to use it.*

We're not insurance agents — we're the contractor who sees what happens when a policy falls short. Use this checklist against your own policy, and reach out any time for a free property inspection so you know exactly what shape your home is in before you ever have to file a claim.

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## Why This Guide Exists

Homeowners insurance is supposed to put your property back the way it was before a loss — but not all policies actually do that. Coverage gets written to a budget, and the gaps only show up when a fire, storm, or water loss forces a claim. Pro Bid has managed enough restoration projects to know exactly which policy gaps cause homeowners the most pain, the most delay, and the most out-of-pocket cost. This checklist is what we wish every homeowner reviewed before they needed it.

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## The Perfect Policy Checklist

Here's what to look for — and what to ask your agent — section by section.

### 1. Replacement Cost Value (RCV), Not Actual Cash Value (ACV)

**What it is:** RCV pays what it actually costs to repair or rebuild with materials of similar kind and quality, with no deduction for age or wear. ACV subtracts depreciation, which can leave you thousands of dollars short on an older roof, siding, or HVAC system.

**Ask your agent:** *“Is my dwelling coverage written on a replacement cost basis, or actual cash value?”*

### 2. Dwelling Coverage Limit vs. True Rebuild Cost

**What it is:** Your dwelling limit should reflect what it costs to fully rebuild your home today — current labor and material pricing — not your purchase price or a number set years ago.

**Ask your agent:** *“When was my dwelling coverage limit last recalculated, and does it reflect today's construction costs in my area?”*

### Why This Cuts Both Ways

- Underinsured: most policies carry a coinsurance clause (often 80%). Fall below that threshold relative to true rebuild cost and the insurer doesn't just pay proportionally less — they apply a coinsurance penalty on top, even on a partial loss. Combined with a hard policy-limit cap, a big claim can leave a homeowner tens of thousands of dollars short.
- Overinsured: insurers only ever pay your actual rebuild cost, never your policy limit. Coverage set above true rebuild value just means paying premium every year on an amount that can never be collected — money that could go toward better endorsements (Ordinance or Law, water backup, ALE) instead.
- The fix: price the rebuild cost itself — land and market value excluded — and set the dwelling limit there.

### 3. Ordinance or Law Coverage

**What it is:** If your home is damaged and local building codes have changed since it was built, you may be required to bring the entire structure up to current code — not just the damaged section. Without this coverage, you pay those upgrade costs yourself.

**Ask your agent:** *“Do I have Ordinance or Law coverage, and what percentage of my dwelling limit does it provide?”*

### 4. Roof Coverage — Read the Fine Print

**What it is:** Many insurers now write roofs on an ACV-only or “scheduled” depreciation basis, even when the rest of the home is RCV. That single line can cut a roof payout by 30–50% depending on age.

**Ask your agent:** *“Is my roof specifically covered at replacement cost, or is there a separate roof depreciation schedule or endorsement?”*

#### Watch Out for a Roof Schedule

- A roof schedule is a separate depreciation table many insurers attach specifically to roof claims, applying a steeper age-based reduction than the rest of the home — even on policies otherwise written at replacement cost.
- It's easy to miss because it's usually buried in a policy endorsement, not stated on the declarations page summary.
- A 10–15 year old roof under a schedule can settle at a fraction of replacement cost, regardless of the cause of loss.
- Ask specifically: “Is there a roof schedule or roof-specific depreciation endorsement attached to my policy, and what percentage does it pay at my roof's current age?”

### 5. Water & Sewer Backup Coverage

**What it is:** Standard policies typically exclude water backup from sewers, drains, and sump pump failure. This is one of the most common and most expensive gaps we see.

**Ask your agent:** *“Do I have water/sewer backup coverage, and what's the limit?”*

### 6. Matching Coverage for Siding & Roofing

**What it is:** If only one section of your roof or siding is damaged, but the exact material or color is no longer available, matching coverage pays to make the rest of the structure uniform instead of leaving mismatched patches.

**Ask your agent:** *“If part of my roof or siding needs replacement and the material doesn't match, does my policy cover full replacement for a uniform appearance?”*

## 7. Loss of Use / Additional Living Expense (ALE)

**What it is:** If your home is uninhabitable during repairs, ALE covers temporary housing, storage, and related costs. Limits are often set too low or capped for too short a duration to cover a major restoration timeline.

**Ask your agent:** *“What’s my ALE limit, and how many months of coverage does that realistically provide?”*

## 8. Deductible Type — Flat Dollar vs. Percentage

**What it is:** A flat-dollar deductible (e.g., \$5,000) is predictable. A percentage-based deductible (e.g., 2% of dwelling coverage) scales with your home’s value and can mean a \$10,000+ out-of-pocket cost on a large claim.

**Ask your agent:** *“Is my deductible a flat dollar amount or a percentage of my dwelling coverage?”*

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## Red Flags That Quietly Gut a Claim

These are easy to miss when a policy is issued, and expensive to discover mid-claim:

- Anti-concurrent causation clauses — can deny an entire claim if an excluded cause (like flood) contributed alongside a covered one (like wind).
  - Coinsurance penalties — if your dwelling is underinsured relative to its rebuild cost, the insurer can reduce your payout by the same percentage you’re underinsured, even on a partial loss.
  - Roof age exclusions or automatic ACV conversion after a certain roof age.
  - Cosmetic damage exclusions on metal or shingle roofs (denies hail-related cosmetic claims outright).
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## How Pro Bid Helps

Pro Bid isn’t an insurance agency, and we don’t review policies as a service on their own — we’re a multi-trade contractor covering construction, roofing, HVAC, plumbing, electrical, and full reconstruction, with a licensed public adjuster on staff. We handle fire, water, storm, and all insurance-related claims to your home. What we will do is inspect your property for free, so you know its actual condition and can match that against the checklist above yourself. If a loss ever happens, we advocate for a full, accurate claim payout. One point of contact, from the first estimate through the final invoice.

- Free property inspection — we’ll assess your roof, siding, and exterior condition in person, no obligation
  - Licensed public adjuster on staff for claim advocacy
  - Single point of contact across construction, roofing, HVAC, plumbing, electrical, and full reconstruction
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## Know the Condition of Your Property Before You Ever Need to File a Claim

Request a free property inspection any time — no obligation.

**Phone:** 217-971-7555

**Email:** [info@probidconstruction.com](mailto:info@probidconstruction.com)