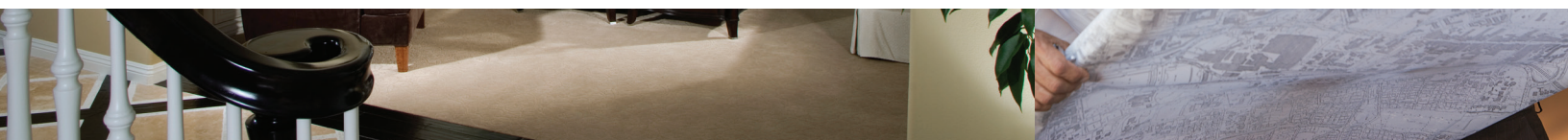




Establishing the Value of Your Home



When you think of the value of your home, you probably think about what it would sell for; however, when it comes to insuring your home, you instead have to consider what it would cost to rebuild in the event of a loss—a number which is often much higher.

Making certain that your home is adequately insured for the full cost of reconstruction is one of the underlying tenets of Chubb's commitment to you. Each year, Chubb undertakes a rigorous process to ensure our estimated reconstruction costs are in line with current construction pricing, including:

- Analyzing residential construction cost data from over 2,000 data points in 731 locations across the US, tracking residential construction cost trends from 26 material and 13 labor inputs;
- Reviewing cost trends for key construction components using national data from the Bureau of Labor Statistics, RSMeans and Marshall & Swift/Boeckh;

- Conducting interviews with local high value home builders;
- Engaging our Claims department to make sure we establish replacement costs that are in sync with the types of claims we typically pay after a loss.

What goes into calculating replacement costs?

If you suffer a loss in your home, many factors must be considered when rebuilding, such as:

- **Materials and Labor Costs**—Prices of building materials and construction labor continue to rise. In the last 12 months, the cost of items such as concrete, custom cabinetry, windows & doors, light fixtures and wood siding have risen between 2 and 4 percent. Labor has gone up approximately 3 percent.
- **Quality**—We hire skilled craftspeople who will restore your home with the same quality materials and detailed work as before the loss.
- **Speed**—Our goal is to get you back into your home as quickly as possible, so we often pay a premium price for contractors.

What does this mean to you?

Given all of this, it is important to be sure that your home is insured to its full replacement value. If you're concerned that your home may be underinsured, please contact your Chubb agent to arrange a Chubb appraisal. Furthermore, alert your agent if you renovate or improve your home in any way. Even a small renovation could potentially render your coverage amount too low.

To learn more, visit www.chubb.com/personal, or contact your agent.

Chubb refers to the insurers of the Chubb Group of Insurance Companies underwriting coverage. For a list of these insurers, please visit www.chubb.com. Not all insurers do business in all jurisdictions. Chubb Personal Insurance ("CPI") is the personal lines property and casualty strategic business unit of Chubb & Son, a division of Federal Insurance Company, as manager and/or agent for the insurers of the Chubb Group of Insurance Companies. This literature is descriptive only. Whether or to what extent a loss is covered depends on the facts and circumstances of the loss and the actual coverage of the policy as issued.

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Form 02-01-0619 (Rev. 10/15)

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