

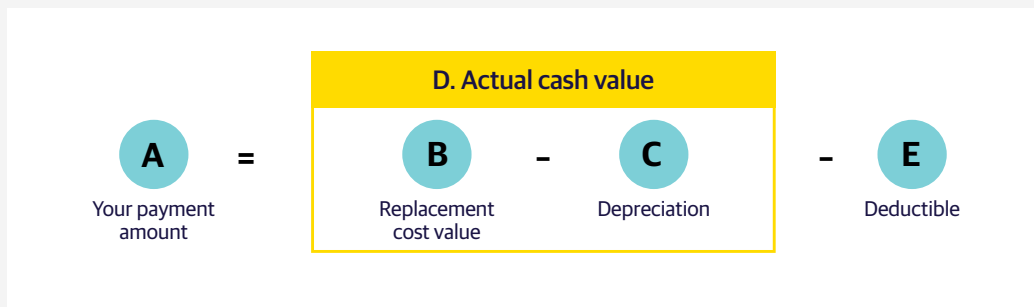
Understanding your property claim payment.



We know that dealing with property damage can be confusing. We're here to help you understand how we calculate your initial property claim payment.

Payment breakdown

If there is coverage for your claim, the first payment you receive will be the actual cash value minus your deductible.



- A** **Your payment**
Amount issued in your first check
- B** **Replacement cost value**
What it would cost to repair or replace the item at today's cost
- C** **Depreciation**
Reduction of property value over time due to age, use, and condition of item
- D** **Actual cash value**
What you would pay to repair or replace the item at today's cost minus the depreciation
- E** **Deductible**
Amount you pay out of pocket toward repair or replacement costs

Example 1: New roof

<p>A</p> <p>Your payment amount: \$4,950</p>	<p>Five years ago you purchased a new roof for your home. It was damaged during a recent wildfire, and it's going to cost \$7,000 to install a new roof today.</p>	<p>Normal wear and tear over the last five years has reduced the value of your roof by \$1,050 (or 15%).</p>	<p>Your policy also has a portion that you pay out of pocket. Let's say that's \$1,000.</p>
	<p>B This is your Replacement Cost Value</p>	<p>C This is your Depreciation</p> <p>D Your Actual Cash Value is therefore \$5,950</p>	<p>E This is your Deductible</p>

Example 2: New couch

<p>A</p> <p>Your payment amount: \$1,600</p>	<p>Two years ago you purchased a new couch. Unfortunately, it was also damaged during the wildfire, and it's going to cost \$2,000 to purchase a new one today.</p>	<p>There has also been normal wear and tear to your couch over the last two years due to daily use, which has reduced its value by \$400 (or 20%).</p>	<p>Since both your roof and your couch are part of the same claim, you only have to pay your out-of-pocket expense once.</p>
	<p>B This is your Replacement Cost Value</p>	<p>C This is your Depreciation</p> <p>D Your Actual Cash Value is therefore \$1,600</p>	<p>E The \$1,000 Deductible listed above will cover both items</p>

If you have replacement cost coverage, you'll need to submit proof of purchase or repairs (receipts or invoices) once you replace the damaged items or complete the repairs. These can be uploaded to your online account. We'll then review them and send you a check for the applicable recoverable depreciation, or the amount of depreciation reimbursable based on our estimate of repairs and/or replacement cost.



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