



Top 10 insurance claim terms

FOR HOMEOWNERS

Get the most out of your Travelers policy by understanding these key terms.

Actual Cash Value (ACV)

The estimated value of the item lost or damaged based on its condition immediately prior to the loss. This is typically calculated as replacement cost value minus depreciation.

Deductible

The dollar amount or portion of a covered loss that is your responsibility as the policyholder. For example, if your policy includes a \$1,000 deductible, you will be required to pay that amount towards the repair of the damages, or that amount will be deducted from the claim payment sent directly to you.

Depreciation

Your home and its contents may lose value over time due to factors such as age, wear and tear, and obsolescence. When Travelers is determining the actual cash value of your damaged property, depreciation will be among the factors considered.

Loss of Use coverage

Travelers may pay for necessary increases in your normal day-to-day expenses that you incur if your property is determined to be uninhabitable due to a loss covered under your policy. This coverage may be available only for the period of time reasonably required to make your home habitable, or if a replacement home is purchased, the time reasonably required for you to move in.

Mortgage

If you have a mortgage (or other similar lien) on your property, the mortgage company (or mortgagee) has a financial interest in your property. Claim payments related to building damage or losses are typically required to be made out to you and the mortgagee. Your mortgage company may require documentation that the repairs have been performed before endorsing the check. Contact them for their requirements as soon as possible, to avoid delays.

Personal property

Property you would be able to take with you if you were to move. This generally means items that are not bolted down or permanently installed (e.g., clothing, furniture).

Policy limits

All policies have dollar limits either chosen by you or included in the policy. Some classes of property have special limits or “sublimits” for some or all claim types. For instance, your homeowner’s policy may not reimburse you for the full amount of your loss on items such as jewelry, silverware, coins or cash if they are stolen. These types of property can be insured for their full value can be insured with Travelers for their full value using specific endorsements or separate policies.

Reconstruction costs

Your dwelling policy limits are based on the estimated cost of rebuilding your home, economic changes over time, such as labor or material costs, could make rebuilding more expensive than initially anticipated. You’ll want to revisit your policy annually to make sure that it provides sufficient protection.

Replacement Cost Value (RCV)

The dollar amount needed to repair or replace damaged property without deducting for depreciation. Your policy may limit the maximum dollar amount payable.

Subrogation

If a person or company is responsible for the damage to your property, Travelers may seek reimbursement from that person or entity, or an insurance carrier that may be responsible for the payment. If there is a recovery, you may receive reimbursement for some or all of your deductible.



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