

NEWSALERT



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Homeowners Insurance

Review Your Policy Limits as Building Costs Rise

RAPIDLY RISING home construction costs could result in your home being underinsured if you suffer a major loss and haven't increased your homeowner's insurance policy replacement cost limits lately.

Your policy has a maximum amount it will pay to rebuild your home, and that limit should reflect current construction costs. Otherwise, the policy may not be enough to rebuild after a total loss like a fire razing your home. And whatever the insurance doesn't cover, you would have to pay out of pocket.

Construction costs

According to a report by Verisk, reconstruction costs in the U.S. increased by 5.2% from April 2024 to April 2025.

Those rising costs come on the heels of massive material price increases of 40% from 2020 to 2023 when supply chains were snarled.

Some prices have come down a little, but they are still mostly higher than before the pandemic.

With tariffs coming on many goods used in home construction, we could be in for another round of construction cost increases.

Also, the construction industry faces a labor shortage, which has added to the cost of rebuilding and the time it takes to complete a project.

Escalating construction costs can extend rebuilding and repair timelines for properties. Longer waits for materials or workforce can also increase compensation periods and

burden homeowners temporarily relocated with extra living expenses.

Insurance policies typically cover additional living costs, yet if delays surpass those benefits, homeowners are forced to pay for extra accommodation expenses themselves.

Revisit your replacement cost

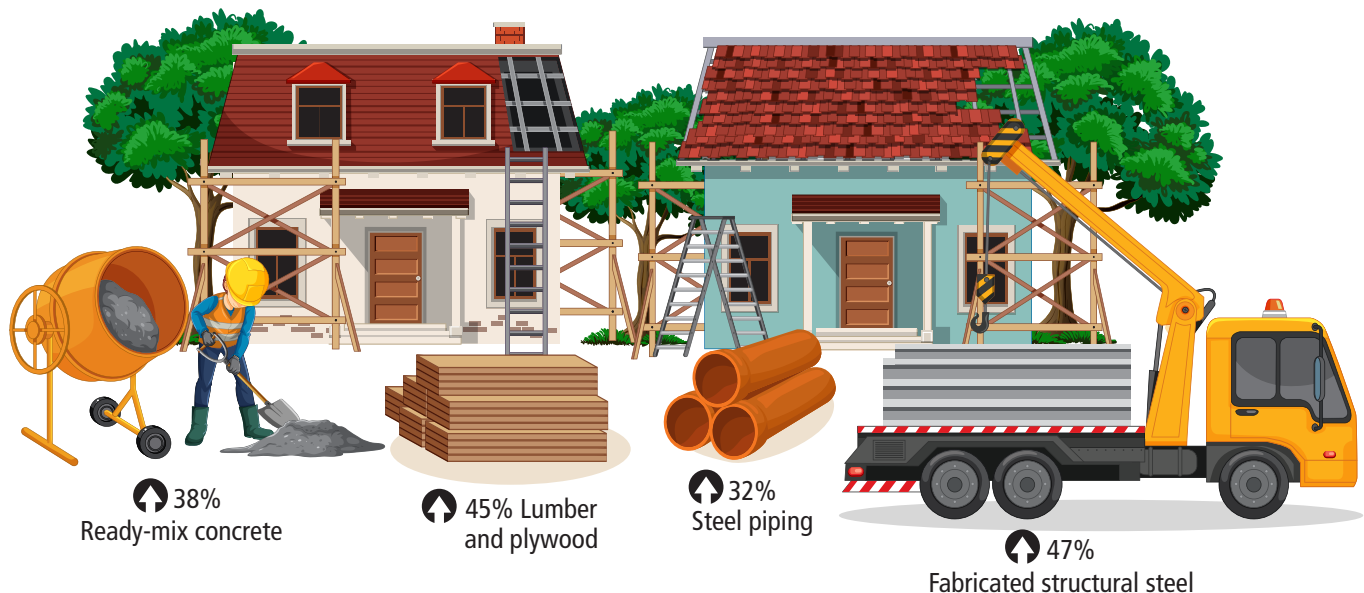
One of the critical parts of the claims settlement process is determining the cost to reconstruct a house to its original state with new materials and current labor rates. When these costs rise, so should your policy limits.

For example, a homeowner bought insurance five years prior with a coverage cap of \$550,000.

With escalating material and labor expenses, the present reconstruction price has soared to \$650,000. Should a total

See 'Determine' on page 2

MATERIAL PRICES SURGE 2020-2024



Source: Construction analytics website edzarenski.com

Reducing Your Risk When Driving at Night

DRIVING AT NIGHT is more dangerous, even though there is often less traffic than during daylight hours. In fact, nighttime crashes are three times more fatal than those that occur during the day, according to the National Highway Traffic Safety Administration (NHTSA). But sometimes we have no choice but to drive at night.

Why driving in the dark is so dangerous

- We don't see as well in the dark, so we often have less time and space to stop.
- Glare from streetlights can sometimes make it harder to see.
- There are more drunk drivers on the road at night.
- Drivers are more likely to be drowsy behind the wheel.

So if you are heading out, you may want to consider these tips to reduce your chances of being in an accident.

Don't drive while drowsy – If you are on your way home from out of town or working a late shift and start feeling sleepy, it's best to pull over, get some caffeine in your system and rest a while.

People use a number of techniques to wake themselves up, including turning on the radio and singing, rolling down the windows for fresh air or stopping to take a short walk to get the blood flowing again.

But if you're really tired, find a place to stay for the night. It's not worth becoming a statistic for lack of a good sleep.

Drive defensively – One of the big dangers at night is drowsy drivers or motorists driving under the influence. They are more likely to run red lights, speed or drive erratically. Put your defenses up and stay alert for bad drivers.

Avoid two-lane highways – Head-on collisions happen most often on two-lane roads without barriers or medians. Vehicles pass close together at high speeds, and oncoming headlights can briefly blind you.

Sharp turns make these roads even more dangerous.

Try to give the opposing lane a wide berth by driving more to the right edge of your lane. If you can, use a safer route at night.

Reduce your speed – Speeding is a factor in 37% of nighttime crash fatalities, compared to 21% during the day, according to the NHTSA. Reduce your speed at night so you have more time to react to hazards.

Use high-beams in right conditions – You should use your high-beams at night whenever possible if there is no oncoming traffic. Just remember to turn them to low-beams when you are within 500 feet of an oncoming car or driving behind another vehicle.

Turn down interior lighting – If your dashboard lights are too bright, it can reduce your ability to see the road ahead, especially if you look down towards your speedometer and then back to the dark road ahead, requiring your eyes to adjust to the darkness again.

Dim your interior lights for nighttime driving enough that you can still see the important gauges.

Look away from car lights – To avoid being blinded by the lights of an oncoming vehicle, shift your eyes down and to the right, using the right edge of the road or lane markings to stay on track. Once the car has passed, return your focus to the full road ahead.



Continued from page 1

Determine Cost to Reconstruct a House to Its Original State

loss occur, the insurance compensation would fall \$100,000 short, forcing the occupier to pay the rest out of pocket.

What you can do

If you are concerned about being underinsured and haven't revisited your replacement costs for some time, please give us a call. You don't want to be caught holding the bag in case of a large claim.

To further cover your assets, ask us about coverage options like:

- Extended replacement value coverage, which boosts dwelling limits if costs exceed standard coverage.
- Loss of use insurance, which aids in financing temporary housing if the property becomes uninhabitable.
- Ordinance or law insurance, which covers expenses for conforming to current building codes.

New Wildfire Defensible Space Rules in the Works

THE STATE is working on new regulations that will toughen enforcement of defensible space around homes in areas at risk of wildfires.

The current round of rulemaking by the Board of Forestry and Fire Protection is on Zone 0 – the area that stretches from the physical building out to five feet. The new rulemaking will add to the steps owners of homes in high-risk areas are required to take.

The proposed rule for Zone 1 (0-5')

The Zone 0 rule would apply not only to the main house but to all other structures (like barns and sheds) as well.

It would bar grass, ornamental or native plants, shrubs, branches, fallen leaves and tree needles, weeds and combustible mulches including bark and woodchips from Zone 0.

Some wildfire specialists say the proposal is flawed and that adequately watered grass and shrubs can help protect the home in case of a wildfire. If well watered, they can reduce the temperature around the house, catch embers and keep them from starting a fire. The rule makes an exception for potted plants.

Most trees would be barred from the zone, although mature trees without low-hanging branches may be allowed.

No items that are likely to be ignited by embers would be allowed, including:

- combustible boards,
- timbers,
- firewood,
- synthetic lawn,
- attached window boxes,
- trellises.

The roof and rain gutters must be kept clear of leaves and needles.

Areas under decks, balconies and stairs must be kept free of vegetative material and combustible items.

Gates made of combustible materials may not be attached to the home or other structures.

Zone 1 (5'-30')

Under current Board rules, at-risk homeowners must:

- Remove dead leaves, pine needles and debris.
- Trim overhanging branches to at least 10 feet away from chimneys.
- Keep trees pruned to maintain spacing.
- Maintain space between trees and shrubs.

Zone 2 (30'-100')

Under current Board rules, at-risk homeowners must:

- Mow grass to a maximum height of four inches.
- Maintain clear spacing between shrubs and trees.
- Remove dead vegetation and fallen leaves.
- Prune lower branches of trees.
- Ensure outbuildings and propane tanks have 10 feet of clearance and no flammable vegetation nearby.

Is your home affected?

Homes in these areas are required to comply with the rule:

State Responsibility Areas (SRAs) – The state of California is financially responsible for the prevention and suppression of wildfires in these areas. SRAs do not include land within city or certain county boundaries. You can check if your home is in an SRA on this [webpage](#).

Very High Fire Hazard Severity Zones in Local Responsibility Areas (LRA) – These are areas at high risk of wildfire where local agencies, like city or county fire departments, are primarily responsible for wildfire protection and emergency response. You can check if your home is in a high fire hazard zone [here](#).

Once finalized, the rules will apply immediately to new construction, with existing homes receiving a three-year phase-in period. If you have questions or concerns about protecting your home from wildfire or have insurance questions, please give us a call.



Three Tips to Stay Safe on the Water This Summer



WHEN YOU are getting ready for a day on the lake in your boat, it's easy to focus on the fun, but make sure you don't overlook safety. Without it, your relaxing day could take a dangerous turn.

While most boating accidents do not involve injuries, staying prepared is the best way to keep it that way. Here are three safety tips to keep in mind before you hit the water.

1. Don't leave the dock without essential gear

Being properly equipped is your first line of defense.

The most important equipment

Life jackets: A U.S. Coast Guard-approved life jacket (type I, II or III) is required for every person on board. Boats over 16 feet long must also carry a throwable flotation device (type IV). Children under 12 must always wear a life jacket when the boat is moving.

Fire extinguisher: Boats with any fuel-powered equipment (engines, lanterns, etc.) must carry a fire extinguisher.

Sound-signaling device: Boats 16 feet or longer need a device that can emit a sound for at least two seconds and be heard from a half mile away. Larger boats require devices with longer ranges.

Navigation lights: If you're out between sunset and sunrise, your boat must display the correct lights — red on the left (port), green on the right (starboard) and white in the rear (stern).

2. Skip the alcohol

Operating a boat under the influence is not only illegal but also incredibly dangerous.

According to the National Safe Boating Council, a person with a blood alcohol content of 0.08 is 10 times more likely to die in a boating accident than someone who hasn't been drinking.

Laws on drinking on boats vary by state. Some state laws prohibit public drinking, and being on a boat in a public waterway may fall under those rules.

If your passengers are drinking, make sure they keep it light and

don't overindulge. Alcohol and boating do not mix, and thousands of people have lost their lives falling from boats while under the influence.

3. Learn boating right-of-way rules

Unlike highways, waterways have no painted lines or signs. Knowing how to navigate safely around other boats can prevent serious collisions.

- **Head-on:** When approaching another boat directly, both vessels should steer to the right.
- **Overtaking:** When passing another boat from behind, assume they don't see you and pass carefully, while giving the other vessel a wide berth.
- **Crossing paths:** The boat on the right has the right of way. If you're on the left, you must yield.

Who to call in an emergency

If you run into trouble on the water, contact the California Department of Fish & Wildlife or local law enforcement. Having your phone or radio charged and accessible could be a lifesaver.

Being prepared doesn't take much time or money — but it can make all the difference. Make safety a priority so you and your family can enjoy the best of the summer boating season with peace of mind.

If you have any questions regarding any of these articles or have a coverage question, please contact your broker at:

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