Rising Reconstruction Costs May Impact Homeowner Policies with Coverage A Limits

In response to substantial increases in reconstruction costs due to the pandemic, Frankenmuth Insurance is taking steps to ensure our mutual homeowner policyholders have adequate building coverage limits to properly protect them in the event of a total loss.

New Business:

- Any homeowner submission with Coverage A limits below $150 per square foot will be reviewed by underwriting to ensure the replacement cost estimation is correct.
- We will leverage our home inspection process more frequently through field inspectors to provide us estimations of home replacement values.

Renewal Business:

- We will provide your agency with a list of all homeowner policies, highlighting properties with a Coverage A limit below $150 per square foot. The list will be your tool to identify accounts which may need to be adjusted for coverage adequacy.

If you have any questions, please contact your underwriter or field manager for more details. We are happy to assist you in this process to ensure our mutual policyholders have adequate coverage.