

# Homeowner's Guarantee

## ▀ Home reconstruction costs are rising

Homeowner's Guarantee coverage is the best insurance coverage you can buy to protect your home and outbuildings. With this coverage, SGI CANADA agrees to replace your dwelling or outbuildings at today's prices with materials of similar kind and quality, even if the cost to do so is more than the amount of insurance protection you have shown on your policy.

To qualify for Homeowner's Guarantee coverage you and your insurance broker must complete and submit an approved Residential Dwelling Cost Evaluator form for your home. These evaluators are developed and maintained by professional firms specializing in this field. To calculate the reconstruction replacement value of your dwelling, these firms consider the age, size, quality of finish and style of your home. To qualify for Homeowner's Guarantee coverage, you are required to insure your dwelling to this value.

The replacement value of your home will typically be higher than the cost of a new home. Reconstruction costs include additional costs for demolition and debris removal. Rebuilding is also more labour intensive and time consuming compared to building a new home.

Recently, replacement values for dwellings have been increasing significantly. The reasons for these increases include the rising costs of building materials and labour, and limited contractor availability.

Given the changing environment, SGI CANADA is asking its brokers to review all policies with Homeowner's Guarantee coverage on a regular basis. SGI CANADA also automatically adjusts your home's amount of insurance each year on the renewal of your policy. This ensures that you have the proper level of insurance coverage in place to fully protect your home.

Please contact your SGI CANADA broker for other important benefits of Homeowner's Guarantee coverage and eligibility requirements.

