PROTECTING YOUR
American dream

HOMEOWNERS INSURANCE AND INFLATION

Homeownership is part of the American Dream! Obstacles like skilled labor shortages and supply chain issues, coupled with low inventory and high demand for homes, have led to historic inflation rates. This inflation has had a massive impact on the value of your home and therefore, insurance premiums are impacted, too. **We know seeing higher rates without an explanation can be frustrating, so let us explain…**

THE BASICS OF DWELLING COVERAGE

Dwelling coverage is the piece of the homeowners insurance puzzle that protects the structure of the home itself. It helps cover things like:

- ROOF
- FRAME
- FOUNDATION
- CHIMNEY
- PORCH
- GARAGE

And the list goes on and on!

WHAT DOES THIS MEAN?

This means your dwelling coverage should be equal to the replacement cost of your home. This way if any or ALL of those things were damaged or destroyed, your insurance policy would be there to provide the financial protection you need, up to the limits of your policy.

HERE'S WHERE INFLATION COMES IN

We are seeing historic inflation rates across the board. Materials are more expensive due to supply chain issues, labor is more expensive due to shortages, and your home and the cost to repair it are more expensive, too.

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The cost of **lumber is up 32%** since 2019
According to the National Association of Homebuilders

Homebuilding materials are up **22.7%** since 2019
According to the National Association of Homebuilders

There were **374,000 unfilled construction positions** in Dec. 2023
According to the Bureau of Labor Statistics

Supply chain issues **increase the cost of materials**

WHAT **CAN YOU** DO ABOUT IT?

TALK TO YOUR PEKIN INSURANCE AGENT!

Your Pekin Insurance Agent is not just there to sell you a policy. They are your resource during times like this.

Here are a couple of questions you can ask:

- Why did my homeowners insurance premium increase?
- Why is my dwelling coverage different from the market value of my home?
- How can I lower my premium?