



100 N. 1ST St., Ste. 301, Burbank, CA 91502  
(888) 801-5522 - CA License #0252636

# Club Members! Save on your Auto Insurance!



Get a  
**\$50 Arco  
Gas Card**  
For Club Members  
if they purchase  
by August 1.

**Come for the great savings.  
Stay for the great service.**

**United Agencies is your Club recommended insurance broker.**

When it comes to auto insurance, Mercury Insurance is known for its high level of service and some of the lowest rates in California. It's recognized by the Mercury Institute for awarding 7.95 (based on an A.M. rating of)

and a score of four Mercury Insurance checks against the competition

Category	Mercury Insurance	Other Insurers
California Automobile Insurance Premium Survey	Lowest	Higher
Customer Satisfaction	High	Lower
Financial Strength	Strong	Varies
Mercury Institute, 2007	7.95	Lower

**(888) 801-5522**  
DIRECT LINE FOR CLUB MEMBERS



Home and Auto Insurance  
Services provided  
for members of the  
**CITY EMPLOYEE'S CLUB**

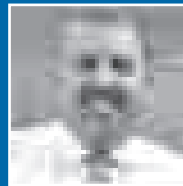
We also have great rates on Homes, Boats,  
Motorcycles, RV's, Rental Properties  
and Apartment Buildings.

A FREE Service provided at the City Employees Club of Los Angeles

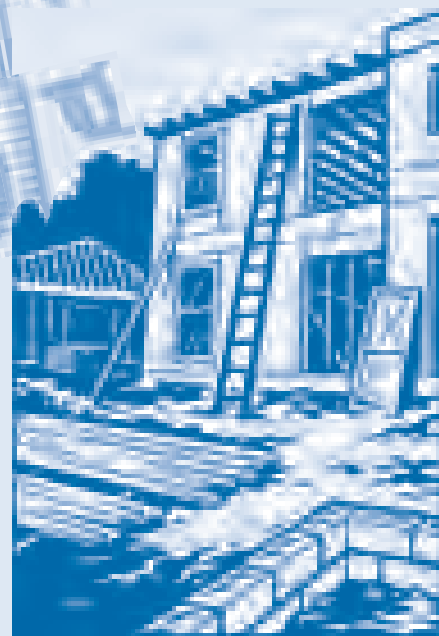
# REST INSURED

by JEFF GELINEAU

Vice President of United Agencies,  
The Club's Auto and Home Insurance Partner



## Is Home Coverage Enough to Rebuild?



The recent depreciation in the value of homes has caused an interesting (and confusing) situation.

Everyone knows that home prices are down -- about 27 percent from 2007, and more than 33 percent since peaking in 2006.

But, are you just as aware that the costs to rebuild a home have risen dramatically?

It's been a "perfect storm" of circumstances that have combined to send the cost of building materials through the roof. Huge growth in China has contributed to a world-wide shortage of basic materials like concrete, steel and lumber. In addition, the dramatic increase in fuel cost has affected the cost to transport these heavy materials to your community.

A thorough review of recent claims experience shows that the cost to rebuild a home in Southern California has dramatically increased. While we may remember times in the past when it used to cost between \$100 and \$150 per square foot to rebuild a home, we are now finding an average cost of \$275 to \$325 per square foot for rebuilding.

This means that an average 2,400-square-foot home can cost as much as \$750,000 to rebuild!

And the costs for better homes are even higher. Custom construction and detailed work drive the price of rebuilding up to \$350 to \$400 per foot. It's not unreasonable for a 4,500-square-foot custom home to cost \$1.75 million to rebuild.

How much do you have your home insured for?

This is where it can get interesting. Let's pretend you have a nice tract home that is ten years old and measures 2,500 square feet. We are seeing that a home like that could cost as much as \$750,000 to rebuild. Obviously, if you can buy a new home in the same neighborhood as you currently live, that was built in the same year, and is the same style home -- for only \$500,000, then it doesn't make sense to insure your home for more than \$500,000.

The fact of the matter is that most people are underinsured. You bought that 2,500-square-foot home in 1998 for \$229,000, and you insured it for \$230,000. Even if you can replace it in this low market for \$500,000, you are still \$570,000 underinsured!

Don't forget that the housing market will rebound. The market swings regularly and can dramatically increase or decrease in a few years. Building costs do not change as dramatically, and hardly ever go down! We are looking at \$300 per square foot estimates

for the future onward. When your 2,500-square-foot home sells for \$900,000, and the cost to rebuild it is \$750,000, will you be properly insured at \$500,000? It's always a wiser idea to insure your home for the cost to rebuild it, not the cost to buy a new one, as the purchase price changes so frequently.

Of course, your homeowners policy includes replacement cost wording that allows the actual cost of construction to exceed the amount insured for, but that coverage is limited and is intended to allow for additional increases in costs in the future. Don't count on the additional 25 percent that the insurance company gives you to make up the difference. Insure your home for the proper amount now!

If you feel that your home might be underinsured, and would like a free estimate of what professionals think your home would cost to be rebuilt, please give us a call. We use the latest online cost analyzers to help calculate what the rebuilding cost will be.

It's your biggest investment. Make sure you have it properly covered!

United Agencies is the Club's partner in helping members with their home and auto insurance, and related products. We specialize in creating personal relationships with our customers, and serving their needs in a prompt, efficient and friendly manner.

Call our office today at (888) 801-5522. United Agencies Burbank. (CA License # 0252636.)

Check out the City Employees Club page on the United Agencies Website at:

[www.unitedagencies.com/cityclub](http://www.unitedagencies.com/cityclub)

This Website lists the upcoming visits we'll be making to City Department meetings where you can ask us any question in person, and get an instant quote!

Have a question? Is there something about Insurance that you've always wanted to know, but were too ashamed to ask? Maybe something that you've just always been curious about? Feel free to send me an email at [jgelineau@unitedagencies.com](mailto:jgelineau@unitedagencies.com), and I will try to answer your question in one of our monthly columns.

**Be safe and have fun!**

**Call United Agencies Burbank  
today at (888) 801-5522.**

CA License # 0252636