



Home renovations

Are you covered?

53% of U.S. adults made some type of home improvement in the past 12 months.¹ Home improvement and repair expenditure in the U.S. amounted to about \$326.1 billion in 2015.² Homeowners improve their homes to make them more comfortable, make aesthetic updates, upgrade air conditioning and heating systems, waterproof roofs, finish basements, boost energy savings and expand their footprint.

How you may be at risk

A home renovation may affect the value of your home. Anything that changes the structure or use of the property might change your insurance needs and may be subject to underwriting approval. Home improvements that boost your home's value could render your home insurance coverage inadequate and leave you vulnerable to uncovered losses. Other home upgrades may make you eligible for lower premiums.

Here are some common scenarios that can affect your insurance:

New roof — This may not be the sexiest home improvement, but it will better protect your home and may save you premium dollars. Newer roofs are less likely to sustain damage, which may be reflected in your insurance cost.

Pool — This may be great for those hot summer days, but it also means your home is riskier from an insurance standpoint. Each state and locality has its own legal

requirements for swimming pools. However, it's a good idea to consider fence height and self-locking gates or doors. Pool covers are also a great way to prevent accidents.

New addition — Sometimes your home needs to grow to accommodate an expanding family. This can mean adding more livable square footage, whether it be finishing a basement or attic area or building a new addition. Your insurance will need to be altered to account for the added value of the new space.

Facelift — A chef's dream kitchen or spa master bathroom will undoubtedly make your home look great, but you may need to give your insurance a makeover to account for the added value. Your limits need to be sufficient to cover replacement of those new granite countertops, custom cabinets and top-of-the-line appliances and fixtures.

Your home renovation project is complete, but now you want to upgrade your furniture and other décor. This fresh new look represents a significant increase in personal property value. Your insurance is based on your home and personal property as it was when you purchased the policy. If you make renovations to your home or acquire new personal possessions, your insurance may need to be updated to reflect the change in value or exposure.

How Nationwide® Private Client responds

A home renovation may affect the value of your home. Anything that changes the structure or use of the property might change your insurance needs and may

Increased replacement cost resulting from renovation	% of replacement cost	Prompt reporting
\$150,000 kitchen remodel	10%	Required
\$500,000 addition	33%	Required
\$50,000 master bathroom/closet renovation	3%	Not required

be subject to underwriting approval or policy contract reporting provisions. Nationwide Private Client requires prompt notification of any renovation that increases the replacement cost of your home or other structure by more than 5% or \$500,000, whichever is less. In a \$1.5 million home, the above table demonstrates how this would apply.

Regardless of the renovation cost, we encourage you to speak to your insurance agent about any updates you are making to your home. If you will be staying elsewhere, or if your home will be vacant for more than 30 days during the renovation, it's important to notify your agent. You may need to store some personal property off-site while renovations are being done. Nationwide Private Client provides personal property coverage up to the policy limit for your property that is removed from your residence premises due to renovation.

If your roof, plumbing, heating, cooling or electrical is part of your renovation plan, you may be eligible for a premium credit once this work is completed. To qualify for a credit, work must be completed by a qualified (licensed where required) contractor, following applicable building codes, and it must be a complete renovation, not a partial replacement.

Your agent can work with Nationwide Private Client Risk Solutions to determine the post-renovation replacement cost on your home. Their review will address cost increases in construction materials, labor, changes in building codes, installation of any home safety or loss prevention devices, changes in square footage, identification of new custom features, valuable articles or additional premium credits for which you may qualify.

Why Nationwide Private Client

Nationwide Private Client is dedicated to helping protect the assets of our clients. Our highly personalized insurance products, services and concierge-style claims management are thoughtfully designed to meet the distinctive needs of affluent individuals and families. We are committed to providing you a superior experience whenever you need assistance.

Nationwide Private Client offers these added benefits:

Claims — Exceptional claims handling provided by Nationwide Private Client.

Financial strength — Nationwide, a Fortune 100 company,³ is one of the largest and strongest diversified insurance and financial services organizations in the U.S. and is rated A1 by Moody's and A+ by both A.M. Best and Standard & Poor's.⁴

Charitable giving — Nationwide Private Client demonstrates a commitment to local communities through its Partners in Giving program, helping numerous lives each year. This supports Nationwide's belief in being a good corporate citizen where we work and live. Since 2000, the Nationwide Foundation, a nonprofit, private foundation has contributed more than \$400 million to charitable organizations across the U.S.

Additional resources

Read our Risk Solutions Series article to find out more about replacement renovations at nationwide.com/solutionseries.

¹scarborough.com/services/measurements/home-improvement

²statista.com/topics/1732/home-improvement

³Based on revenue, Fortune (June 2016).

⁴Ratings affirmed 7/21/16 by Moody's, 7/7/16 by A.M. Best and 5/24/17 by Standard & Poor's.