

Right on the Money: Stats show your home is probably under-insured

WFAA 8 ABC

If you weren't directly hit by the October tornadoes, they are a reminder to update your insurance coverage. Most homeowners are under-insured — and don't know it

DALLAS — In recent days we have seen the maps with arrows crisscrossing the Dallas area, showing where tornadoes swept across the ground over the weekend. Even if you were not in the path of Sunday's tornadoes, they are an important reminder. I did a special report following our widespread severe weather in June [click here to read it or watch it](#)).

Now, I am the annoying alarm you may have muted...going off again.

No one wants to shop around or update their property insurance coverage. I do mine every year. It is not a fun process. But statistics show as many as two-thirds of all homeowners are under-insured, which means you might not have enough coverage to rebuild.

Talk about not fun.

Here's how it happens. You get an insurance policy for your property, tuck the documents away in a drawer and let the policy automatically renew each year without actively evaluating your coverage. Meanwhile, every year, the cost of construction materials and labor here continue to shoot up, some items even doubling or tripling in a five-to-10 year period.

We put the actual changing price tags on all kinds of construction and reconstruction items with builder Michael Turner of Classic Urban Homes. He went through this exact scenario years ago when he did a long-overdue review of the insurance coverage he had on his own home.

"I looked at it and said, 'There is no way we can rebuild this house, even me in the business with zero profit margin.' So, we basically doubled our coverage on what we had."

Not only are most homeowners under-insured, but Amy Bach of United Policyholders also says many are unprotected by a substantial amount.

"I am going to say for most people it is about 25% that they are short," she said.

When you see the damage done in North Texas by the October tornadoes, that's a lot of money to be

short on.

Take the time.

Look at your policy.

Make adjustments.

If the arbitrary arrow of destruction points in your direction next time, hopefully, you'll be right on the money. For more information, [click here](#).