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## Will your policy bring your house up to code?

**When houses are built, they comply with local building codes. While these codes change regularly, the house will only need to be updated if it undergoes major remodeling - like rebuilding after severe damage from a fire or severe weather storm. Therefore, the older your home is, the more likely it will cost you to rebuild in a way that complies with new codes.**

### Why does this matter in the context of my homeowners' insurance policy?

A standard homeowners' policy is designed to pay to repair or rebuild your house following damage caused by specific events. The insurance is meant to correct the damage caused directly by the loss (fire, explosion, wind, vandalism, etc.) and bring your house back to the way it was *before the loss*. This does not include making updates.

### What updates do I need?

Local laws or ordinances will require that your remodel comply with current building standards. These standards may vary greatly from municipality to municipality, so they may not be covered by insurance:

- If your house suffers major damage, some municipalities require you to tear down the entire building, not just the damaged part. This can add to your out-of-pocket expenses, with additional demolition, clean-up, and reconstruction costs.
- If your house is out of code, your municipality will require your home's reconstruction to comply with new construction requirements. This may significantly affect the rebuild cost, which may be outside your insurance coverage.

### Why is this not included in my homeowners' insurance policy?

Actually, most standard homeowners' policies do cover additional expenses needed to comply with a local building code. It is called Ordinance or Law coverage and is normally 10% of the dwelling limit. However, depending on your home and municipality, you may not have enough to cover these additional costs.

### How do I get more coverage for Ordinance or Law?

The first thing to do is check how much your own policy provides for Ordinance or Law. You can also inquire about local building codes. Taking those requirements and the age of your home into consideration will help you estimate how much coverage is needed. If your standard policy is not adequate, your agent can assist with increasing your Ordinance or Law limits.

### WHAT ARE THE OUT-OF-POCKET EXPENSES?

Your homeowners insurance policy may not cover all expenses. Depending on your home and municipality, you may be responsible for:

- The cost to tear down the undamaged portion of your house
- The cost to remove the debris from this undamaged portion
- The cost to rebuild the entire house to the current building code