

# THE ALL CRAFT EXTERIORS INSURANCE TERMS GLOSSARY

Insurance is filled with so much jargon that it often becomes confusing to the average homeowner. At All Craft Exteriors, we've spent our careers working with these terms, and we thought it would be useful to explain a few of them.

(Keep in mind though, this document is NOT meant to be legal advice. If you need that, you should still go to a lawyer.)

## TERMS YOU WILL HEAR

**Scope of Loss:** This is the insurance company's document which outlines the dollar amount of damage they found.

**Deductible:** The amount paid out of pocket by the homeowner before an insurance provider will pay any expenses.\*

**Depreciation\*\*:** This is the gap between Actual Cash Value and the cost to replace. In most cases, this is recovered once work is complete and all Craft Exteriors invoices your insurance.

**ACV (Actual Cash Value) Check:** The amount of money it would cost to replace your property, minus the value it has lost because of age and normal wear and tear.

**Depreciation Check:** The check received after all work is completed and All Craft Exteriors sends the final invoice to the insurance company. This check is used to pay All Craft.

### Example

Scope of Loss	\$10,000
Deductible	- \$1,000
Depreciation	- \$4,000
ACV Check	\$5,000
Depreciation Check	\$4,000

\*PLEASE NOTE: IT IS ILLEGAL IN MINNESOTA FOR A CONTRACTOR TO OFFER TO PAY THE DEDUCTIBLE FOR THE HOMEOWNER.

\*\*PLEASE NOTE: "ACV ONLY" POLICIES DO NOT INCLUDE RECOVERABLE DEPRECIATION. ANY AMOUNT IN EXCESS OF ACV MUST BE PAID BY HOMEOWNER.



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