



# Replacement Cost Policies vs. Actual Cash Value Policies

Insurers offer coverage options to best meet consumer needs



**REPLACEMENT COST POLICY:**  
Pays the costs to replace the damaged property with a new item.

**Result:** You're in a better position than before, but will likely pay a higher premium.



**ACTUAL CASH VALUE POLICY:**  
Pays what the actual cash value was just before the property was damaged.

**Result:** You're in the same position as before, but you paid a lower premium.

## HOW ACTUAL CASH VALUE POLICIES WORK:

You have a claim that involves replacing your 10-year-old refrigerator that was expected to last 20 years. You would get half the value under an actual cash value policy.



For more information on how to protect your property and loved ones, visit [hurricane.apci.org](https://hurricane.apci.org)

