



February 2012

Green is everywhere these days, from our cleaning products to the local car wash operation. The residential construction industry, with a renewed focus on energy efficiency and eco-friendly materials, is one of the leaders in green innovation. In response, several insurance companies now offer green options for homeowner's insurance. Green coverages are designed to replace a home that is built to specific green certification levels or to upgrade a home to green status at the time of loss.

What defines a green home? It must have an eco-friendly structure and be energy efficient. More specifically, a green home uses a combination of energy-efficient appliances, insulations, or technology to minimize the use of electricity, heating fuels, and water. A green home is also built from sustainable and/or high-recyclable materials. Perhaps most importantly, green homes are made from natural materials which do not release dangerous chemicals into your home. This can be a significant benefit for both long-term environmental concerns and the more immediate quality of life for your family. According to the U.S. Environmental Protection Agency, there is growing evidence that our indoor air can be more polluted than outdoors - and we spend an estimated 90% of our time inside!

A green upgrade endorsement on your homeowner's policy would cover the increased costs to replace or upgrade your home with green materials and methods after a loss, providing you with healthier, environmentally friendly options. For example, the coverage may include more efficient appliances, lighting, water systems, eco-friendly insulation, and carpets and paints with significantly lower emission levels. A green upgrade endorsement may also cover the additional expenses associated with recycling of post-loss debris that is removed from your home.

Green can affect your homeowner's premium in two ways. If your home is built to LEED (Leadership in Energy and Environmental Design) standards, several carriers will provide a credit, typically about 5%, on your insurance premium. In the event of a loss, those insurers would work with you and LEED-certified

experts to guarantee that your home is rebuilt to the same level of standards. If your home is not up to green standards now, you can purchase the green upgrade endorsement for a slight premium increase that would provide significant upgrades to your home in the event of a loss.

Whether your home is currently green or change aspiring to be so..... to going green at home is in your future plans, it's a good idea to consider the green options now available and decide if they are the right choice for you.