

Ensuring your business is properly insured

Every year since 2008 the costs of both construction materials and labor have risen.

Up 5%

- U.S. non-residential building construction costs – in just one quarter
- U.S. overall commercial reconstruction costs – in just one year
- U.S. total reconstruction costs, including materials and retail labor – highest increase on record

2x more expensive than in 2000

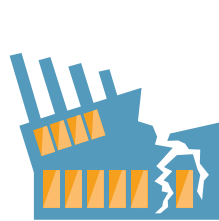
- Certain asphalt products
- Paving mixtures
- Steel products

What could impact your insurance to value needs year to year?

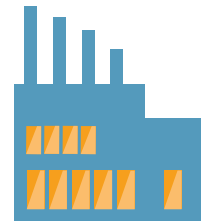
- Property improvements and renovations
- Process improvements
- Landscaping
- New machinery
- Inventory changes



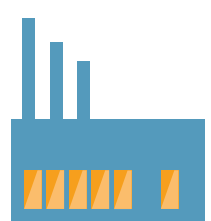
What happens when your business is underinsured?



TOTAL LOSS



FULLY INSURED.
FULLY REBUILT.



UNDERINSURED

For illustrative purposes only.



Labor costs on the rise

- Drywall installers – UP 8.5%
- Roofers – UP 6.6%
- Carpenters, electricians, plumbers, and heating/AC mechanics – UP 3-4%

“Businesses should expect the cost to replace or rebuild their business property will go up some each year.



Every three to five years, the cost could change dramatically due to the overall economy, inflation, labor and material costs and regional trends. If your values aren't keeping up with this, then you run the risk of underinsuring your exposure. An annual review of your business insurance needs is necessary to help ensure the right protection is in place.”

Robert Brewer, Vice President
Industry Solutions
The Hanover Insurance Group

35% increase in cost of copper wire over past 12 months

20% increase in cost of lumber composite since 2017

Also on the rise...

- Aluminum
- Curtain walls
- Drywall
- Oil and PVC-related products
- Paint

Talk to your independent insurance agent to discuss and changes you have made and how it could affect your insurance to value protection.

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