



UNDERSTANDING YOUR PROPERTY CLAIM ESTIMATE

Figuring out your property claim isn't easy, but Liberty Mutual has got you covered. This sample estimate will help you understand how we calculate your total payment.



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1. UNDERSTANDING LINE ITEM DETAILS

For this sample, we will look at damages to the dwelling; however, based on your damages, your property claim estimate could also include other structures and content line items.

| Sample Estimate | | | | | | | | | | |
|-----------------|---|-------------|---------------|-----------------|--------|------------|-------|---------------|----------|-----------------|
| | B | C | D | E | F | G | | | | |
| A | Quantity | Unit | Tax | O&P | RCV | Age/Life | COND. | DEP% | Deprec. | ACV |
| | 1. R&R 1/2" drywall — hung, taped, floated, ready for paint 32.00 SF | 1.77 | 0.00 | 11.32 | 67.96 | 7/150 yrs. | Avg. | 4.67% | (5.61) | 62.35 |
| | 2. Seal/prime then paint surface area (2 coats) 400.00 SF | 0.66 | 0.00 | 52.80 | 316.80 | 7/15 yrs. | Avg. | 46.67% | (105.60) | 211.20 |
| | 3. Range — freestanding — gas 1.00 each | 780.99 | 0.00 | 156.20 | 937.19 | 5/30 yrs. | Avg. | 75% | (312.39) | 624.80 |
| | 4. R&R shelving — 12" — in place 15.00 LF | 7.81 | 0.00 | 23.44 | 140.59 | 7/7 yrs. | Avg. | 16.67% | (0.00) | 140.59 |
| H | 5. Haul debris — per pickup truck load — including dump fees The payment for this item has not yet been incurred | 187.02 | 0.00 | 37.40 | 224.42 | 0/NA | Avg. | NA | (0.00) | 224.42 |
| TOTALS | | 0.00 | 243.76 | 1,462.54 | | | | 423.60 | | 1,038.94 |

A Quantity (QTY)
Amount of material or time needed.

B Unit
Cost of material, labor, or equipment for each unit. You can reference the Commonly Used Measurements below.

C Overhead & Profit (O&P)
Overhead and Profit is included in a repair estimate when the repair or replacement may involve a general contractor.¹

D Replacement Cost Value (RCV)
What you would pay to replace the item at today's cost: **Quantity (A) x Unit Price (B) + Overhead & Profit (C).**

I Labor Minimum
Added labor to perform a minor repair, including transportation, setup, and various other contractor costs, if applicable.

E Age/Life and Condition (COND.)
The item's age/how long you have had the item, and its condition.

F DEP% and Depreciation (Deprec.)
Reduction in value of property over time due to age, use, and condition of item. Depending on your policy, some depreciation may be reimbursable.

G Actual Cash Value (ACV)
What you would pay for the item at today's cost minus depreciation: **Replacement Cost Value (D) - Depreciation (F).**

H Paid When Incurred (PWI)
Items (i.e., haul debris) that may not be necessary in the repair of your property. These items will be reimbursed to you after the expense is incurred.

2. UNDERSTANDING LABOR MINIMUMS

| Labor Minimums Applied | | | | | | | | | | |
|--|-------------------------------------|-------------|---------------|-----------------|--------|----------|-------|---------------|---------|-----------------|
| | B | C | D | E | F | G | | | | |
| I | Quantity | Unit | Tax | O&P | RCV | Age/Life | COND. | DEP% | Deprec. | ACV |
| | 6. Drywall labor minimum 1.00 EA | 182.79 | 0.00 | 36.56 | 219.35 | 0/NA | Avg. | 0% | (0.00) | 219.35 |
| Totals: Labor Minimums Applied | | 0.00 | 36.56 | 219.35 | | | | (0.00) | | 219.35 |
| LINE ITEM TOTALS: Sample Estimate | | 0.00 | 280.32 | 1,681.89 | | | | 423.60 | | 1,258.29 |



Commonly Used Measurements

- | | |
|------------------|-------------|
| EA • Each | SQ • Square |
| LF • Linear Foot | HR • Hour |
| SF • Square Foot | DA • Day |
| SY • Square Yard | WK • Week |
| CF • Cubic Foot | MO • Month |
| CY • Cubic Yard | RM • Room |

3. YOUR SUMMARY PAGE

| Summary for Dwelling | | |
|--|----------|-------------------|
| Line Item Total | J | 1,401.57 |
| Material Sales Tax | | 0.00 |
| Subtotal | | 1,401.57 |
| Overhead | K | 140.16 |
| Profit | | 140.16 |
| Replacement Cost Value | L | \$1,681.89 |
| Less Depreciation | | (423.60) |
| Actual Cash Value | M | \$1,258.29 |
| Less Deductible | | (500.00) |
| Net Claim | N | \$758.29 |
| Total Depreciation | O | 423.60 |
| Less Non-Recoverable Depreciation | P | (312.39) |
| Total Recoverable Depreciation | Q | 111.21 |
| Total Paid When Incurred | R | 224.42 |
| Net Claim if Additional Amounts Are Recovered | | \$1,093.92 |

- J Line Item Total**
Total of all line items before overhead and profit, taxes, and deductions.
- K Overhead & Profit**
Total overhead and profit per coverage type, if applicable.
- L Replacement Cost Value (RCV)**
Total cost to repair or replace damage(s) to your home.
- M Actual Cash Value (ACV) Replacement Cost Value (L) minus Depreciation.**
- N Net Claim**
Amount paid to you today. It is calculated by taking **Actual Cash Value (M)** minus Your Deductible (the portion you pay out of pocket).
- O Total Depreciation**
Total amount of depreciation of your property.
- P Less Non-Recoverable Depreciation**
The depreciation that is not reimbursable based on the loss settlement provisions in your policy.
- Q Total Recoverable Depreciation**
The depreciation that's reimbursable based on the loss settlement provisions in your policy.
- R Total Paid When Incurred**
The amount that will be reimbursed to you once this expense is incurred.



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Commonly Used Measurements

| | |
|------------------|-------------|
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This document is not intended to be a complete summary of Liberty Mutual's claims handling practices and standards, nor does it address all claims scenarios. The application of any information within this document will depend on specific facts, circumstances, policy language, and applicable law. Any failure to quote or refer to any specific policy provision in the body of this letter or otherwise is not a waiver of those provisions. *Overhead and Profit is included in a repair estimate when the repair or replacement may involve a general contractor. Your Claims Representative will review overhead and profit with you if applicable.

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