

# A1 HOME SERVICES LLC

NC · VA · MD · Storm restoration specialists

Replacement cost value vs actual cash value — and what those letters mean for your check.

## Side-by-side comparison

	RCV — Replacement Cost Value	ACV — Actual Cash Value
<b>What it pays</b>	Full cost to replace the roof at today's prices.	Replacement cost minus depreciation for age and wear.
<b>Depreciation</b>	Recoverable — held back, then released after the work is complete.	Permanent. You absorb the depreciation gap out of pocket.
<b>Number of checks</b>	Two: ACV minus deductible up front; depreciation after completion.	One. No second check.
<b>Deductible</b>	Comes off the first check (the ACV check).	Comes off the only check.
<b>Claim filing</b>	File claim, do the work, submit final invoice to release the second check.	File claim, collect the single check — done.

## Worked example: a \$30,000 roof

### THE MATH, STEP BY STEP

RCV — full replacement cost	<b>\$30,000</b>
Depreciation (age/wear deduction)	<b>\$7,000</b>
ACV (RCV minus depreciation)	<b>\$23,000</b>
Wind/hail deductible (your portion)	<b>\$2,000</b>
First check (ACV minus deductible)	<b>\$21,000</b>
Second check after work is done (RCV policy only)	<b>\$7,000</b>
<b>Total received (RCV) vs ACV-only</b>	<b>\$28,000 vs \$21,000</b>

*On an ACV-only policy the second check never comes. The \$7,000 depreciation is your out-of-pocket.*

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## How to tell which policy you have

Pull your declarations page — the 1-2 page cover sheet of your homeowner policy. Work through these four steps.

1

### Find the "Loss Settlement" section

Usually on page 1 or 2 of the declarations. Sometimes labeled "Coverage A — Loss Settlement Basis."

2

### Look for "Replacement Cost" or "Actual Cash Value"

RCV means two-check system. ACV means one check, no recovery of depreciation.

3

### Check for an age-conversion clause

Some NC policies switch from RCV to ACV when the roof reaches 10, 15, or 20 years old. Watch for the phrase "functional replacement cost" — it means ACV.

4

### Find the wind/hail deductible line

Listed separately from the standard deductible. Often 1–2% of dwelling coverage — not a flat dollar. On a \$350K home, 1% = \$3,500.

Not sure which policy you have? Send us your dec page. We read them for free — plain English, no sales pitch.