

THE 40% COVERAGE DROP: HOW TEXAS INSURERS' SHIFT TO "ACTUAL CASH VALUE" CAN LEAVE EL PASO HOMEOWNERS EXPOSED

Learn how shifting insurance policies to "Actual Cash Value" can leave El Paso homeowners with unexpected out-of-pocket costs for roof repairs.

EL PASO, TX, UNITED STATES, August 20, 2026 /EINPresswire.com/ -- As Texas homeowners continue to navigate rising home insurance costs, changes to the way some insurers value aging roofs could create another significant financial challenge: reduced claim payments when a roof needs to be repaired or replaced.



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JM Roofing and Construction provides professional residential and commercial roofing services throughout El Paso and the surrounding region.

According to data from the Texas Department of Insurance (TDI), statewide homeowners insurance premiums continued to rise in recent years, following significant increases in 2023 and 2024. While El Paso homeowners have historically faced different insurance conditions than residents in hail-prone North Texas or hurricane-exposed coastal communities, insurance carriers operating throughout the state may use policy changes, underwriting requirements, roof payment schedules, and Actual Cash Value (ACV) provisions to manage exposure.

“

A roof inspection and policy review can help you make informed decisions before a loss occurs”

Martin Lopez

For homeowners, understanding the difference between Replacement Cost Value (RCV) and Actual Cash Value (ACV) can be critical. Under an RCV policy, a covered roof loss may be paid based on the cost to replace the damaged roof with materials of like kind and quality, subject to the policy deductible and applicable terms. Under an ACV provision, depreciation based on the roof's age and condition may be deducted from the claim payment.

That difference can translate into thousands of dollars in additional out-of-pocket expenses for homeowners.

“Across El Paso County, property owners may receive renewal notices where the premium itself does not tell the entire story,” said J.M., Subject Matter Expert at JM Roofing and Construction. “Homeowners should look closely at the coverage provisions for their roof, particularly when a roof is more than 10 years old. A change from replacement cost coverage to actual cash value can significantly affect what a homeowner ultimately receives following a covered loss.”

How ACV Can Change the Cost of a Roof Replacement

The financial impact of depreciation can be illustrated through a hypothetical example.

Consider an El Paso home with a roof replacement cost of \$20,000 and a hypothetical dwelling coverage limit of \$300,000. With a 2% deductible, the homeowner would be responsible for a \$6,000 deductible. Under an RCV structure, assuming the entire replacement is covered and no other policy limitations apply, the insurer could pay approximately \$14,000 toward the replacement after the deductible.

Now consider the same hypothetical loss under an ACV provision with 50% depreciation applied to the roof. The insurer could determine the depreciated value of the roof to be \$10,000 and then apply the \$6,000 deductible, potentially leaving an insurance payment of approximately \$4,000.

In that scenario, the homeowner could face approximately \$16,000 in total out-of-pocket costs to



A professional roofing specialist installs new asphalt shingles during a residential roofing project in El Paso, highlighting the importance of proper installation and roof condition maintenance.



JM Roofing and Construction crews performing high-wind restoration and commercial TPO roofing work, illustrating the advanced roofing systems utilized across the El Paso region.

complete a \$20,000 roof replacement.

The example is illustrative only. Actual claim payments depend on the individual insurance policy, deductible, coverage limits, exclusions, depreciation methodology, damage determination, applicable endorsements, and the insurer's claim adjustment process.

For homeowners, however, the underlying lesson remains important: the amount a roof costs to replace and the amount an insurance policy will pay are not necessarily the same thing.

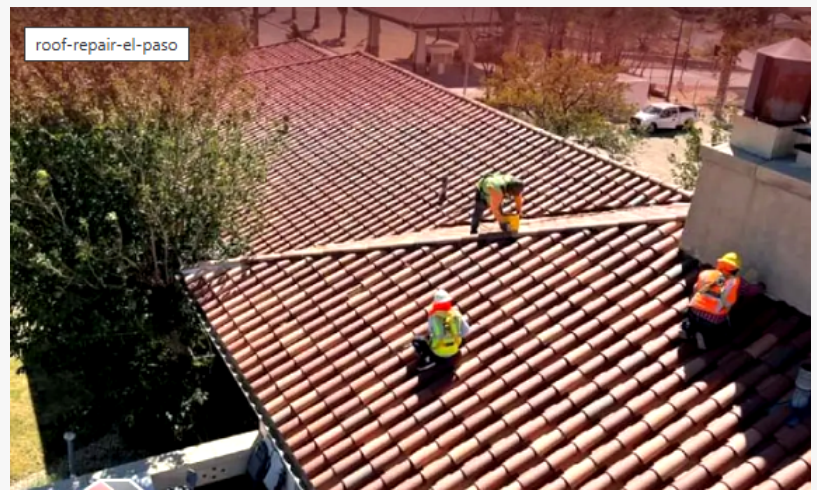
Why El Paso's Climate Can Add Another Layer of Complexity

El Paso's desert climate presents unique challenges for [residential roofing](#) systems.

Summer temperatures regularly reach or exceed 100 degrees Fahrenheit, while intense solar exposure, temperature fluctuations, wind, dust, and seasonal storms can contribute to the long-term deterioration of roofing materials. Asphalt shingles, for example, can experience accelerated aging, granule loss, cracking, and other signs of wear when exposed to prolonged heat and ultraviolet radiation.

Although many composition shingles carry manufacturer warranties extending 20 to 30 years under specified conditions, a manufacturer's warranty does not necessarily determine how an insurance carrier will value the roof during a claim.

This distinction can become particularly important when insurers apply age-based depreciation



JM Roofing and Construction specialists performing maintenance on a tile roof in El Paso, addressing architectural styles and weathering issues before insurance claim complications arise.



A JM Roofing and Construction technician applying commercial coating materials in El Paso, demonstrating high-quality systems that provide resistance and long-term durability.

or roof payment schedules.

A roof that remains functional from a homeowner's perspective may nevertheless have a substantially lower depreciated value for insurance purposes. Consequently, homeowners who assume that an older roof will automatically qualify for the same level of claim reimbursement as a newer roof may be surprised by the amount of an eventual insurance payment.

El Paso's residential architecture can also include low-slope and flat roofing systems, including modified bitumen and rolled roofing. These systems can have different maintenance requirements and service-life considerations than conventional pitched asphalt-shingle roofs.

Depending on the carrier and policy, older roofing systems may be subject to specific underwriting requirements or payment schedules.

"Roof age is only one part of the equation," J.M. explained. "The type of roofing system, its current condition, previous repairs, maintenance history, and the specific language in the homeowner's policy can all affect the financial picture. That is why a professional roof inspection and a review of the policy should happen before a homeowner is dealing with an emergency claim."

Rising Insurance Costs Make Coverage Reviews More Important

Texas homeowners have experienced substantial insurance-rate increases in recent years.

Analysis of Texas Department of Insurance (TDI) filings indicates that approved average homeowners insurance rate adjustments experienced significant upward trends, with average filed rate increases hitting roughly 21% in 2023 and 19% in 2024, alongside broader inflation-adjusted premium growth trends across the state. . Growth subsequently slowed in 2025, with statewide average premium increases reported at approximately 4.3%.

While premium increases have received considerable attention, homeowners may also need to pay attention to changes in policy structure.

Insurance companies can use a variety of policy provisions and underwriting tools to manage risk, including coverage limits, deductibles, endorsements, cosmetic-damage provisions, and roof-specific payment schedules. The practical effect is that a homeowner's insurance bill alone may not provide a complete picture of how much financial protection a property has.

For example, a homeowner could experience a relatively modest premium increase while simultaneously receiving a policy renewal that contains different terms for an aging roof.

That makes reviewing the declarations page and policy documents at renewal particularly important.

What El Paso Homeowners Can Do

JM Roofing and Construction recommends that homeowners take several proactive steps to better understand the condition of their roof and the coverage available under their insurance policy.

Homeowners should consider:

- Reviewing the declarations page and policy documents each year.
- Looking specifically for references to Actual Cash Value, Replacement Cost Value, or Roof Payment Schedules.
- Confirming the current roof age and roofing material listed by the insurer.
- Maintaining documentation of roof inspections, maintenance, and repairs.
- Obtaining professional documentation of roof condition when appropriate.
- Understanding the applicable wind and hail deductible before a storm occurs.
- Asking an insurance professional to explain any changes to coverage at renewal.
- Considering roofing materials that may provide enhanced durability or qualify for available insurance incentives, where appropriate.
- Addressing minor roof maintenance issues before they develop into more extensive damage.

"Homeowners don't have to wait until a storm damages their property to learn what their policy covers," J.M. said. "A current roof inspection, organized maintenance records, and an understanding of the policy can help property owners make informed decisions before a loss occurs."

Preparing for Wind, Hail and Monsoonal Weather

Although El Paso does not experience the same frequency of hurricanes as coastal Texas, the region remains exposed to high winds, hail, and seasonal monsoonal storms.

Roof damage from wind and hail can range from missing or damaged shingles to compromised flashing, membrane damage, punctures, leaks, and other issues that may not be immediately visible from the ground.

When damage occurs, homeowners may face not only the cost of repairing the roof itself but also potential secondary damage if water enters the structure.

Delayed [roof repairs](#) can contribute to damage involving roof decking, insulation, drywall, electrical components, and interior finishes. What begins as a relatively limited roofing problem can therefore become a much larger property-repair project if left unaddressed.

JM Roofing and Construction encourages property owners to have their roofs professionally evaluated following significant weather events and to maintain regular inspections as part of an overall property-maintenance strategy.

About JM Roofing and Construction

JM Roofing and Construction is an El Paso, Texas-based residential and [commercial roofing](#) contractor serving property owners throughout the West Texas and borderland region.

The company specializes in residential and commercial roofing services, roof inspections, high-wind restoration, commercial TPO roofing systems, and roofing solutions designed to address the environmental conditions found throughout the El Paso area.

JM Roofing and Construction focuses on helping property owners understand the condition of their roofing systems, identify potential problems, and make informed decisions regarding maintenance, repair, restoration, and replacement.

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