

Hurricane Tips for Homeowners

Prepare Now—Before the Hurricane Flags Fly!

2016 is predicted to be an active hurricane season. Don't be caught unprepared! The steps below will help you minimize hurricane damage and get back on your feet if you are struck.

Just like hurricanes come in many shapes and sizes, so do insurance policies. The FAQ included here provides information about what policies usually cover, along with some tips on filing claims. To find out about your coverage, consult your policy and contact your professional insurance agent.

Tips for Protecting Your Property

- Review your insurance coverage to make sure it is adequate, and familiarize yourself with any wind-storm deductibles.
- Most hurricane damage is covered under standard homeowners policies, but it is very important to insure your home and belongings to their full replacement cost at current value.
- Flooding is generally not covered under standard homeowners policies, so ask your agent about flood insurance.
- If you rent a house or apartment, talk to your professional insurance agent about purchasing a renters insurance policy if you don't already have one.
- Make an inventory of your possessions and store it off the premises. If your belongings are damaged, this list will help in filing a claim.
- If possible, take highly valued items to another, safe location.
- Secure your property before a storm arrives!

If Your Home Is Damaged in a Storm

- Be aware of personal and physical safety measures and comply with the orders of local emergency authorities.
- Notify your professional insurance agent as soon as possible. Secure your premises before evacuating. Once you have vacated the premises, make sure your agent knows where to contact you.
- Take pictures of damaged property and keep notes.
- Temporary repairs may be authorized to protect against further damage. Check with your agent, insurance company or contact your PIA state affiliate. Keep all receipts for work.
- Use pictures and inventory lists to help your agent and adjuster assess the damages.
- Don't be rushed into signing repair contracts. Deal with reputable contractors. If you're unsure about a contractor's credentials, contact your claims adjuster, Better Business Bureau or Chamber of Commerce for referrals.

Frequently Asked Questions

1. “I have reported my claim, now what should I do?”

You should take all steps necessary to prevent further damage—securing property, temporarily boarding windows and roof, drying out carpets and personal property, etc. If the insured does not do this and further damage results, it may not be covered.

You should not undertake any permanent repairs, nor dispose of any damaged property before an adjuster has been able to see the damage. When there is water damage to the contents of a home, you should remove water-soaked contents such as carpeting and furniture, however you should not dispose of such items before an insurance adjuster sees them. You can place such items outside under a tarpaulin. In the case of perishable items (i.e., food) that must be disposed of, first take photographs of that property to substantiate the claim. If you do not, some damages may not be covered.

You should retain all receipts for emergency repairs and for items which might qualify under additional living expenses (such as water, ice, rental charges at another location if the home is uninhabitable, etc.).

2. “Is there anything I can do to speed up the claims process?”

Although the adjuster will contact you as soon as possible, priority will be given to the most severe losses. Also be aware that larger claims will be settled in stages, not all at once. While waiting for the adjuster, there are a number of things you can do:

- You may wish to secure a repair estimate (preferably at least two) for the adjuster to review. This will help the adjuster with the settlement process.
- Take pictures of the damaged property. If you have pictures of the property before the loss, these should be provided to the adjuster.
- Make a list of all damaged property, including a description, age, original cost, and place of purchase and estimated replacement cost. Any receipts or canceled checks for these items should also be included.

3. “What if my home is so damaged I can’t stay in it?”

Under most homeowners and dwelling forms, coverage is provided for Additional Living Expenses. If the home is uninhabitable due to a covered peril and you must temporarily relocate, most policies will reimburse for the reasonable expenses incurred over and above your normal living costs. For example, it would probably cover all reasonable housing expenses since you will be paying a mortgage payment, but would only cover food expenses over and above what the policyholder normally would pay for food.

It is imperative that you retain all receipts for these expenses in order for them to be considered as a part of the loss. The expenses must be in line with normal living costs and must be a necessary and direct result of the loss.

Most policies limit recovery under Additional Living Expenses to a percentage of the amount of coverage on the home itself.

4. “What coverage is there for trees that are down?”

There is no coverage under standard dwelling and homeowners policies for damage to trees by “weather perils” (such as wind). However, if the tree falls and causes damage to some other type of covered property (such as a house or fence), the damage to the house or fence would be covered. Separate windstorm coverage can be purchased as an added endorsement.

5. “Power was out for five days and the food in my freezer and refrigerator spoiled. Is it covered?”

Generally, most residential policies do not cover food spoilage resulting from power outages due to the “Power Failure” exclusion. A small number of companies provide some very limited coverage (i.e., \$250 - \$500) as a coverage enhancement. Aside from this, coverage is generally not available.

6. “When power finally came back on, a power surge damaged some of my electrical equipment. Is it covered?”

Most homeowners policies provide coverage as “sudden and accidental damage from artificially generated electrical current”; however, coverage does not apply to loss of transistors, computer chips and similar items. Therefore, damage from a power surge would not be covered for property such as televisions, VCRs, computers or similar items.

7. “The adjuster was here last week and I still haven’t gotten my check. How long is this going to take?”

After the adjuster has visited the insured, he must complete detailed paperwork on the loss, which is subsequently submitted to the carrier for review. After everything has been checked, the carrier will issue the claims draft to the insured.

If the adjuster is carrying a heavy claim load, there is often quite a delay in completing the paperwork by the adjuster, since they generally must do this at night, as well as the delay at the company as it deals with thousands of claims to review at one time. Often, an insurance agent can check with the adjuster to find out exactly when the paperwork was submitted to the carrier. If the papers have been sent in, the company may also be able to provide a status report.

8. “I’ve just received my claim check, and it’s not enough.”

If the check is for a lower amount than the insured expected, it is usually due to policy terms that require settlement on an actual cash basis with replacement cost being paid at the time repairs or replacements are actually completed. Check with your agent or company.

9. “What is the difference between Actual Cash Value and Replacement Cost Coverage?”

If the policy indicates that settlement will be on a replacement cost basis, then payment will be made for the actual cost to repair or replace at today’s prices, limited only by the total amount of coverage that was purchased.

If the adjustment basis is actual cash value, settlement will be made by determining the replacement cost at today’s prices and subtracting from that amount a reasonable amount for depreciation, age or obsolescence. Some policies provide coverage for the home on a “Guaranteed Replacement Cost” basis. In this situation, the carrier will pay whatever it costs to repair or rebuild the home, regardless of policy limits.

10. “I was told I was ‘underinsured.’ How can this be?”

Too often, homeowners neglect to review their homeowners insurance. Changes to your home such as the addition of a room or an increase in your home’s value may affect your coverage. Call your professional insurance agent for the best advice.