

Working with Your Insurance Company After a Hurricane, Flood, or Other Emergency

Overview

Steps to take to file an insurance claim after a natural disaster.

- Contact your agent or insurer as soon as possible
- Information and evidence you'll need to gather
- Working with the insurance adjuster
- What's covered and what's not covered: wind or flood damage
- The first claims to ask about: living expenses and repairs
- Settling your claim

Widespread natural disasters place huge and often unexpected demands on property owners, as well as insurance companies. With roads blocked, gasoline supplies scarce, and residents relocated, property owners and insurers alike face difficulties in reaching each other. The standard way of handling insurance claims may be altered to meet the demands of the emergency. For instance, where insurance claims centers have been destroyed or are unusable, temporary stations may be set up or local independent insurance assessors or adjusters may be hired. It may take longer for insurance adjusters to visit insured properties and begin taking claims information. The information in this article will help you to work with your insurance company in these special circumstances.

Contact your agent or insurer as soon as possible

You will want to call your agent or insurance company as soon as possible. You may also want to contact the Federal Emergency Management Agency (FEMA) at 800-621-FEMA (800-621-3362) or by going online to www.fema.gov to start a claim or apply for assistance. In addition to providing low-cost loans for rebuilding, FEMA provides funds for temporary housing, legal counseling, medical, dental, and transportation expenses for people who don't have insurance or who are underinsured.

- *How to find your insurance company representative.* If there has been damage to the insurance offices, insurers may be working with local officials to establish safe sites that can be used as claim centers. To find the site closest to you, call your insurer's hotline. Most insurance companies have claim hotlines set up in the event of large natural disasters. These toll-free hotlines are listed in local newspapers and are broadcast on local news stations. You can also find your insurer's hotline at the Web site of the Hurricane Insurance Information Center, www.disasterinformation.org.
- *Information to gather before and during your call.* If possible, have your policy number available when you first contact your insurer, along with your insurance agent's name and phone number. If you don't know your policy number, your insurance company can find it for you, based on your identifying information, such as your name and Social Security number. When you speak to the insurance company representative, make a note of the claim reference number that is assigned to your claim and the name of the representative to whom you spoke. You may want to get a notebook with pockets or folders in which you can record

2 • Working with Your Insurance Company After a Hurricane, Flood, or Other Emergency

your interactions with your insurance company and any important questions or information as well as store receipts, contractor estimates, and other papers.

- *What to tell your insurance company representative.* It's likely that you will have several types of claims to report. These may relate to your automobile, home, business operations, health, workers' compensation, or life insurance to name just a few. When talking to your insurance person, try to give him or her a complete list of the types of claims you are going to make. The more information you can give the insurer upon your earliest contacts with them, the more likely it is that the claims process will move along as efficiently and quickly as possible.
- *What to ask.* Don't hesitate to ask questions. You may want to ask the following:
 - How do I obtain a copy of my policy? (If yours was lost in a flood or hurricane, you'll want to request a copy of your policy for reference.)
 - What does my policy cover?
 - When can I expect to see an adjuster?
 - How large is my deductible? (Your deductible is the amount of loss you agree to pay out of your own pocket when you buy an insurance policy.)
 - Should I arrange contractors on my own for repairs?
 - Will I need to obtain estimates for repairs for structural damage?
 - If I cannot live in my home, does my policy cover the cost of staying in a hotel or renting an apartment?
 - How long will it take to process my claim?
 - What are my next steps?

Information and evidence you'll need to gather

The best thing you can do to help make sure your claim is settled quickly and accurately is to provide your insurance company with as much information as possible about your damaged or lost property. Your insurer may ask you to fill out and sign a formal document called a "proof of loss" form in which you provide details of your losses and the amount of money you're claiming. In times of disaster, many companies waive this requirement if you've met with an adjuster. But whether you're filling out a proof of loss form on your own, meeting with an adjuster to go over your losses, or revising your claim later on, it's a good idea to have the following items ready:

- *Photos of the damage and of your lost belongings if possible.* If you have access to a camera and to your property, then photograph it as soon as you are able to do so. Take many photos, including close-ups of all valuable items and any structural damage to your home. Between the time you visit, and the time the insurance representative arrives, more damage could be done and your property might even be lost; these photos might turn out to be your only record of some items, and

3 • Working with Your Insurance Company After a Hurricane, Flood, or Other Emergency

may even help the insurer determine the cause of damage. It's important for the insurer to know the cause of damage, because that will have an effect on the extent to which your claim is covered by your insurance policy. Also, if valuable items are missing, try to gather up any old photos that show those items before the disaster -- for instance, a photo of your family sitting on a couch that was lost due to the hurricane or its aftermath.

- *A list of the damaged and lost items.* Prepare a detailed list of all damaged or destroyed property. Take a room-by-room inventory and try to include brand names, dates of purchase or approximate age of items, cost at time of purchase, and estimated replacement cost. This list will also serve to remind you of everything you would like to show the adjuster. So be sure to look for and write down any structural damage to your home and other buildings on your premises, such as a garage or swimming pool, and such things as cracks in the walls. If you give this list to the adjuster, be sure to keep a copy for yourself.
- *The damaged items themselves.* Don't throw out damaged furniture or other expensive items. The adjuster will want to see them.
- *Records of your insurance claim.* Keep copies of all the lists, photos, and other documents you give to your insurance company or the adjuster. Also keep copies of any paperwork your insurance company gives you, and record the names and phone numbers of every insurance company representative you speak with.

Working with the insurance adjuster

If the natural disaster caused extensive damage in your region, it may be very hard for insurance companies to reach the areas affected to assess damage and decide how to handle claims. In order to respond to claims as quickly as possible, insurers may send either of two types of adjusters to meet with people in the affected areas: adjusters who are employees of the insurance company or independent adjusters who own their own businesses locally and are hired to represent insurance companies on a temporary basis.

- *Verify the adjuster's credentials.* Regardless of which type of adjuster you talk to, make sure that the person is properly licensed. Ask to see his or her identification and ask for a contact number at the insurance company. Telephone the company to make sure the adjuster is an employee and that his or her title is accurate.
- *Keep in touch.* It's important that the adjuster is able to reach you. Let the adjuster know where and how you can be reached. If you change locations, try to call your adjuster with the new information. If you have a relative or friend in a fixed location outside of the disaster area, perhaps even in another state, you might ask that person to act as a message center for you, taking phone and e-mail messages and receiving mail on your behalf. You might arrange to call that person on a regular basis to catch up on your messages.

4 • Working with Your Insurance Company After a Hurricane, Flood, or Other Emergency

- *Consider bringing in your own independent adjuster.* If you are not satisfied with your insurance company's damage estimates, you may hire your own adjuster, called a *public adjuster*. For a percentage of your claim settlement (as much as 15 percent), a public adjuster can handle your claim and negotiate with the insurer on your behalf. Hiring a public adjuster will delay settlement and may reduce the amount you will receive from your insurer. On the other hand, a public adjuster may help reduce the burdens you are dealing with after the disaster and may be able to negotiate a higher settlement amount. If you decide to use a public adjuster, be sure to check references and qualifications by calling the Better Business Bureau and your state insurance department.

What's covered and what's not covered: wind or flood damage

Whether or not a particular property loss or damage is covered by insurance will depend on the cause of the loss or damage. In investigating hurricane damages, insurers often focus on two particular causes: flood damage and wind damage. Most homeowner's insurance policies cover wind damage, such as where windows are broken or roof tiles are missing and rainwater gets in. Homeowner's insurance policies usually don't cover flood damage. You need a separate flood insurance policy that's provided through the federal government's National Flood Insurance Program. Insurance adjusters and engineers can usually determine whether the cause of damage was wind or flood. If your damage was caused by flood, it may be covered by separate flood insurance through the federal government, but it will not be paid for under your homeowner's policy.

The first claims to ask about: living expenses and repairs

In a disaster situation such as a flood or other emergency, you and your insurer will probably share two immediate concerns: your living expenses if you are unable to remain in your home and the need to repair your property to avoid additional damage. If the cause of your loss (for instance, wind damage or looting) is covered by your insurance policy, you may receive payment for the following types of expenses:

- *Additional living expenses.* If you have had to leave your home and are in a hotel, shelter, or staying with friends or relatives, it's important that you report this to your insurer as soon as possible. Your homeowner's insurance policy may include coverage for a specified amount of additional living expenses (ALE), often under the heading, "loss of use." Call your insurance company or agent to learn whether you have ALE coverage, and how it can help you. If you do have ALE coverage, your policy will specify the maximum amount that the insurer will provide. ALE usually pays for the difference between your housing and food costs before your loss, and your housing and food costs after your loss.

Some insurers will provide ALE funds immediately upon being notified of a loss; others may pay your covered expenses at a later date, based on receipts you

5 • Working with Your Insurance Company After a Hurricane, Flood, or Other Emergency

provide them. Be sure to keep all receipts for housing and meals so that you can back up your ALE claim.

- *Repairs.* Avoid beginning any permanent repairs to your property until it has been assessed by your insurance company or a federal aid agency. But do take reasonable steps to protect your property from further damage. It's in everyone's interest -- yours and your insurer's -- if you can minimize the damage to your property. This often means making temporary repairs to windows, doors, the roof, and walls to prevent further damage from wind and water and to secure the property against break-ins. If possible, you might consider taking steps to dry out your property to reduce the chance of mold setting in.

Ask your insurance representative if your policy covers the cost of repairs, and keep receipts that you can copy and give to the insurance adjuster. But bear in mind that payments for temporary repairs are part of the total settlement, and if you spend large sums on temporary repairs, you may not have enough money for permanent repairs.

Settling your claim

It may take months before your claim is settled. It's important that you not rush into any settlement or accept a settlement check as final. You may need to file additional claims later, for example, if your house is looted. Talk to your insurance company representative about your ability to "reopen" the claim if additional damage is discovered later on. Most policies require claims to be filed within one year from the date of the disaster, so ask about the deadline that would apply in your situation.

If you and the adjuster don't agree on the settlement amount, contact your insurance agent or the insurance company's claim department. Provide your insurer with the figures and documents that back up your own account of your loss. If you and the insurer still disagree, you will have further options, such as bringing in an independent third party to help resolve your claim. Remember that in the end, you and your insurance company share a common goal: a settlement that is fair and accurate.

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