

## Hurricane Season 2007 – Protect Your Homes and Families

The damage from hurricanes and tropical storms can devastate a coastal community but massive damage may also occur hundreds of miles from the coast due to strong winds, rain and floods. As storms ride up the Atlantic Coast or swirl in the Gulf of Mexico, huge portions of the U.S. population are in harms way, potentially exposing many billions of dollars of property to the risk of loss.

Homeowners will want to make sure that their property is adequately insured from a catastrophic loss. Many large businesses hire professional risk managers to plan and respond to catastrophic events. However, homeowners and small business owners can take steps to protect property and assets from becoming a casualty of a storm. The Property Casualty Insurers Association of America (PCI) has developed the following information and tips that will be helpful before and after severe weather.

### Insurance Checklist and Tips:

#### **PCI insurance checklist before a storm hits:**

Property owners should be sure to take some basic precautions to protect themselves and their belongings from an oncoming powerful storm. The first step is to call or visit with your insurance agent or company well in advance of a storm to discuss your policy.

- ❑ Review your property insurance policy, especially the “declarations” page, and check whether your policy pays replacement cost, or actual cash value for a covered loss.
- ❑ Inventory your household items, and photograph or videotape them for further documentation. Keep this information and your insurance policies in a safe place, such as a safety deposit box.
- ❑ Keep the name, address and claims-reporting telephone number of your insurer and agent in a safe and easily accessible place.

#### **PCI recommends you talk with your insurer/agent about the following topics:**

As you review your policy with your insurance agent or company, discuss the following:

##### ❑ **Your deductible**

Make sure you know the amount of your deductible. It may be based on the value of your home or a fixed dollar amount. In many hurricane-prone areas insurance deductibles may range from 1 to 5 percent of your home's value. The higher the deductible the lower your premium will be.

##### ❑ **Appropriate limits**

Purchasing enough insurance is very important. Your agent or insurance company can assist you in determining what is right for you. Check whether your policy pays replacement cost, or actual cash value for a covered loss. Actual cash value takes into account depreciation and as a result the compensation you receive may be much lower than the retail price of a new item. The cost of rebuilding is generally going to be higher than the price you paid for the home. In some areas new more stringent building codes will increase the cost of rebuilding. These factors should be considered in the decision regarding how much insurance to buy. Have you recently remodeled or added a new addition onto your property? If you have increased the value of your property, be sure to increase the protection for your property.

#### ❑ Flood insurance

It is a good idea for people to buy flood insurance. Flooding is not covered in your standard homeowners insurance policy. It may be purchased through many insurance agents as part of the National Flood Insurance Program, administered by the Federal Emergency Management Administration. Keep in mind that inland flooding can occur as far as 500 miles from the site of a hurricane. There is a 30-day waiting period to get flood insurance, so it is important to act before floodwaters start to rise.

#### ❑ Temporary Housing

Many standard homeowners and renters policies provide for reimbursement of additional living expenses when the property is determined to be uninhabitable due to damage. This provision helps in paying for increases to necessary living expenses such as temporary housing and eating restaurant food. In addition, extra expenses such as overnight parking and laundry services may also be covered. Additional living expense coverage does not pay for all living expenses. It covers only the increase over normal living expenses. This coverage typically is limited to 20 percent of the value of the home or 40 percent of the personal property limits of the condominium or rental property.

#### ❑ Trees and shrubs

Damage to trees, shrubs and other plants during a hurricane or windstorm is not covered under the standard homeowners policy. However, insurance may pay to remove the debris from a fallen tree if it caused damage to a structure covered by insurance.

#### ❑ Renter's insurance

Your landlord's insurance policy will not cover the loss of your clothes, furnishings and other items.

### **PCI recommends the following tips as precautions to take prior to a hurricane:**

- Protect your property by covering all windows with plywood or shutters, moving vehicles into the garage when possible and placing grills and patio furniture indoors.
- Make sure watercraft are stored in a secure area, like a garage or covered boat dock. A typical homeowner's policy will cover property damage in limited instances for small watercraft, and separate boat policies will provide broader, more extensive property and liability protection for larger, faster boat, yachts and jet skis.

### **PCI tips to help salvage property and minimize further damage after the storm:**

- First and foremost, if holes have been torn in your roof or your windows are broken, be sure to cover them as quickly as possible so that wind and rain does not cause further damage.
- Keep all receipts for anything you buy for that purpose so you can submit them to your insurance company later.
- Report all damage to your insurance company or agent as soon as you can in order to settle your claim more quickly and accurately.
- Make a list of damaged items. If possible, put together a set of records, such as receipts, bills and photographs, to establish the age of everything that needs to be replaced or repaired.
- Identify the structural damage to your home and make a list of everything you would like to show the adjuster.

- Don't throw out damaged furniture or other expensive items. The adjuster will want to see them. It also is a good idea to take photographs of the damage before you start cleaning it up.

**If the hurricane caused flooding in your home, there are certain things you can do to minimize the damage:**

- Shovel or scrape the mud off your floors, furniture and walls before the mud dries. Then hose down the walls with clean water, starting from the ceiling.
- Major appliances, such as refrigerators and stoves, can be washed and dried completely. In most cases, they will not be damaged unless they were operating at the time the water covered them.
- Diluted chlorine bleach can be used to clean household items, appliances, walls and floors. This also will help control odors.
- Wood furniture should be dried outdoors, but not in direct sunlight. Remove drawers and other moving parts before they dry.
- A flooded basement should be pumped gradually to prevent structural damage. Pump out about a third of the water per day.
- Food utensils and equipment should be washed thoroughly and sterilized before you use them. Any food that is open and exposed to flood waters should be discarded.
- Use public water only after it has been declared safe by an authorized official.

***Information provided courtesy of the Property Casualty Insurers Association of America (PCI).***

*PCI is composed of more than 1,000 member companies, representing the broadest cross-section of insurers of any national trade association. PCI members write over \$194 billion in annual premium, 40.1 percent of the nation's property/casualty insurance. Member companies write 51.3 percent of the U.S. automobile insurance market, 39 percent of the homeowners market, 32.1 percent of the commercial property and liability market, and 38.7 percent of the private workers compensation market.*