

Working With Insurance Companies and Personal Finances After a Natural Disaster

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If you recently had property damage to your home or car due to a natural disaster, the following information may provide some tips on how to effectively work with your insurance company to file any necessary claims.

First, if there is the potential for further damage to your property, you should act quickly to try and prevent it, if reasonably possible. However, if you've been ordered to evacuate the neighborhood, or your structure is not safe, it is not worth the risk to you.

The next consideration is whether you can locate your insurance policy. If you are not able to find it, or you know it's been destroyed, contact your state insurance department to get the phone number for your carrier to request your policy information and a copy of your policy. For an online reference for contact information for your state's insurance department, use this link: www.naic.org/state_web_map.htm.

To prepare for filing the insurance claim, write down the date the damage occurred and your policy number. It is also important to have a telephone and/or email address where you can be reached at all times. These are items the insurer will need for your claim.

Depending on your insurance company and the situation, you may have up to six months to file a claim. However, you should check with your insurance company to make sure.

In addition, it helps to know your deductible for each type of claim to determine whether it is worth filing a claim for all of the damage, or just the most expensive part. If the cost of repair exceeds the deductible by just a few dollars, you may not want to have a claim history for an expense that you will cover mainly out of your own pocket. It is unfortunate, but still a fact, that too many claims can cause your insurer to cancel coverage. Ask your insurer what your deductibles are if you are uncertain.

Next, separate damaged from undamaged property. Your insurer will need evidence of the damage to your home and possessions to prepare your repair estimate.

If the insurer requests that you get an estimate of the damage for your home, contact a home repair contractor for an estimate. For vehicle damage, contact the repair shop you would like to use for the repair to get an estimate. Always ask if the estimate costs you anything before agreeing to have it done. Be aware that there are shady contractors and auto repair shops that will take advantage of

you and your insurer by inflating the estimate, or charging to provide it. If you can, get more than one estimate to make sure you have been given a fair ballpark figure of what the repair will cost. However, when many people in an area have had property damage, it may be hard to get even one estimate in a timely manner.

In addition...

- If possible, take photographs of all of the damaged property, including discarded objects, structural damage, and any standing floodwater levels.
- Make a list of damaged or lost items and include their date of purchase, value and receipts, if possible.
- Officials may require disposal of damaged items so, if possible, place damaged items outside of the home.

The insurance company will then likely send out an inspector or adjuster to examine the damage and write a report. These inspectors or adjustors work for the insurance company. If you have a legitimate claim, you should expect to be treated fairly and expect the insurance company to honor the claim. If you have any problems with the inspector during the inspection process, you should document the details of the situation and contact the insurance company to file a complaint.

After the adjustor files the report, different companies and different policies are processed in a variety of ways. If you are not given an immediate answer, ten days is a reasonable time to wait. If you haven't heard anything about your claim, call. If for any reason your claim is denied, check to see if the company has an appeal process. It may be worth your while to appeal, especially if the repair is a costly one.

Keep in mind that insurance companies will differentiate between water damage due to wind and hail and water damage due to flood. Flood insurance is considered separate coverage, and you are covered for flood damage only if you had purchased flood insurance in addition to your homeowner's policy.

When rain enters through a wind-damaged window or door, or comes through a hole in a wall or roof, insurers consider the resulting puddles and damage to be windstorm-related, not flood-related. The good news is that most homeowners insurance provides such coverage for wind and hail damage.

According to www.fema.gov/national-flood-insurance-program, the official website of the National Flood Insurance Program, "Flood insurance covers overflow of inland or tidal waters and unusual and rapid accumulation or runoff of surface waters from any source. However, the flood must be a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is yours)." If you do not have flood insurance and are interested in purchasing flood insurance for any future flood concerns, check with your insurer or the www.fema.gov/national-flood-insurance-program website for more information.

For any uninsured property damage, consider an SBA loan. The U.S. Small Business Administration can make federally subsidized loans to repair or replace homes, personal property,

or businesses that sustained damages not covered by insurance.

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