

Hurricane Insurance Checklist

Before the storm arrives:

- ◇ Check your homeowner's policy to make sure it contains flood and windstorm coverage.
- ◇ Review coverage limits on your home and valuables to make sure they are fully covered.
- ◇ Determine whether your policy will pay replacement cost or actual cash value in the event of a loss.
- ◇ Find out whether your policy will pay for "additional living expenses" to cover the cost of hotels and meals should your home become uninhabitable.
- ◇ Record and update an inventory of all personal belongings. Make photos, and, if possible, a videotape showing your possessions. Record insurance policy information.

After the storm has passed:

- ◇ Report any damage to your home or property to your insurance agent as soon as possible. Keep track of the special reference number for your claim that your insurance company will issue to you.
- ◇ Make sure that the adjuster assigned to you is properly licensed. Ask to see their identification.
- ◇ Make any needed emergency repairs to your home as required by your policy. Be careful of structural damage, escaping gas, or fallen wires.
- ◇ Hire only licensed and reputable contractors for repair work.

Insurance Consumer's Hurricane Checklist



MISSISSIPPI
INSURANCE DEPARTMENT

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Insurance Commissioner
State Fire Marshal

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Are You Prepared?

Hurricane season begins in June and lasts until November. **Before** hurricane season begins, check your homeowners' policy to be sure it contains adequate coverage. Remember that most all insurance companies will not accept new applications after a designated hurricane enters the Gulf of Mexico or the area located in the boundaries of 80 degrees West longitude by 20 degrees North latitude. This brochure is provided to help you review your insurance in preparation of these dangerous, unpredictable storms.

Before the Storm ...

- Check your policy's coverages
Remember that homeowners' policies do not cover flood damage caused by rising water. Check the special maps kept by your county that show flood plains. If you live in a flood-prone area, contact your agent about obtaining flood insurance, which is written by the National Flood Insurance Program. Do not procrastinate; there is a 30-day waiting period before the policy goes into effect. Standard homeowners' policies usually cover windstorm damage directly caused by wind or hail. You should still check your policy to make sure that it does not include a windstorm exclusion. If windstorm damage is excluded,

coverage can be obtained through the Mississippi Windstorm Underwriting Association, otherwise known as the "windpool". If you have any questions, contact your agent.

- Insure adequate coverage

It is also important that you have adequate insurance coverage. Because of increased economic activity on the Gulf Coast during the past several years, property values have increased. The availability of better-paying jobs in the area has meant that many people have made home improvements or purchased expensive items such as computers, stereo systems, and major appliances.

Review your insurance policy and check your coverage limits. You should consider increasing your coverage if your policy doesn't cover the current value of your home and its contents.

- Know what your policy covers

Standard homeowners' policies usually limit coverage on valuables such as jewelry, silverware, guns or boats. You may need extra coverage for these items. If you live in a condominium, check to see what coverage you have through your condominium association and know the coverage for which you are separately responsible. You should check the deductible amount contained in your policy. Several large insurers writing coverage on the Gulf Coast have implemented deductibles as high as two percent of the value of the covered

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dwelling for perils such as wind and hurricane.

- Find out how your policy pays

Determine if your policy will pay replacement cost or actual cash value in the event of a loss. Standard homeowners' policies typically pay the actual cash value on your home's contents. Actual cash value is the dollar amount needed to replace or repair your damaged property after depreciation – the amount your property is worth at current market value. You may opt for replacement cost coverage, which would pay the dollar

amount needed to replace or repair your damaged property with materials of similar kind and quality – without subtracting depreciation.

Find out if your policy will pay for “additional living expenses”. This feature, contained in most standard homeowners' policies, pays some expenses if your home is so damaged that you cannot live there while repairs are being made. These could include limited motel, restaurant and warehouse storage expenses. An insurance company is not obligated to pay additional living expenses in full, but only the amount for which you show verification. Therefore, you should keep any receipts for food, lodging, and other expenses during the period you are out of your home.

- Update your home inventory

Regularly update a list of personal belongings. Itemize all personal belongings,

including costs, purchase dates and serial numbers. You can simply list your possessions on sheets of paper, or use household inventory computer software. Such programs are included as part of many home finance software packages; others can be downloaded from the Internet free of charge. Keep receipts for big-ticket items along with your inventory records. Your insurance company will require proof of the cost of the item for which you make a claim. It is an excellent idea to make photographs or videotapes of your possessions along with an itemized inventory.

Having a well-documented inventory will help you get an accurate insurance settlement and/or tax deductions for losses. Store these and other important insurance papers in a waterproof container or, preferably, a safety deposit box. To ensure quick and convenient access to this information, make a card for your wallet that includes the name of your insurance company, location of inventory records, and agent or company telephone numbers for reporting claims.

- Take precautions if you must leave

If you must evacuate your home, secure your property and remove any valuables. Lock all windows and doors. Contact your agent and leave a phone number and address where the agent can reach you.

- Report damage to the company

If your home or property has been damaged by a hurricane, call the insurance agent who sold you your policy as soon as possible. The

After the Storm ...

agent will submit a loss form and an adjuster will be assigned to your claim and will visit your property to assess the damage. Your insurance company will issue a special reference number for your claim which you will need to refer to in all of your dealings with them. The adjuster should call you as soon as possible to inspect the damage to your property.

- Know your adjuster

After a hurricane, hundreds of adjusters are needed to help settle claims. There are three types of adjusters:

- ◇ **company adjusters** – insurance company employees
- ◇ **independent adjusters** – independent adjusting firm employees
- ◇ **public adjusters** – independent third-party contractors who adjust claims for a percentage of the settlement

Regardless of what type of adjuster you use, make sure that the person is properly licensed. Ask to see identification, and if you are still unsure, call the Mississippi Insurance Department at 800-562-2957.

Adjusters will attempt to settle hardship cases and those with the most serious damage first. Policy forms are quite different, and storm damage often is varied in a given area. Don't assume that your settlement will be the same as your neighbors. Be patient.

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- Get needed help with your claim

If you do need help with a claim problem, contact the Mississippi Insurance Department. In the event of catastrophic destruction resulting from a hurricane, MID will set up a local claims processing assistance center to assist residents with their claims. In the aftermath a hurricane, stay tuned to local television and radio stations for the center's location and hours.

- Make and document repairs

Your policy requires that you make emergency repairs to prevent further damage to your home and to protect it from looting. When it is safe to return to your home, do not enter if the structure is in danger of collapsing. Do not use flame because there may be escaping gas. Watch out for electrical wires. Keep all receipts and take photos of the damage, before and after repair, to submit with your claim.

- Beware of fly-by-night contractors

Hire licensed and reputable contractors, preferably from your community, for repair work. Call the Mississippi State Board of Contractors at (800) 880-6161 or visit their Internet site at www.msbc.com to determine if a contractor is properly licensed.