A 12-step plan for your Sandy insurance claim

http://www.marketwatch.com/story/the-12-step-plan-for-your-sandy-insurance-claim…

Some consumers will be shocked to learn that superstorm Sandy devastated not only cities, coastal areas and transit systems — but their pocketbooks, too.

“A lot of people are going to have a rude wake-up call after this storm and realize that flood damage isn’t covered under their home-insurance policies,” says John Egan, managing editor of InsuranceQuotes.com , a Bankrate.com division. “If you don’t have flood insurance you’re not covered for water damage.”

And most homeowners aren’t. In a recent poll by the Insurance Information Institute, only 13% of homeowners — including renters — had a flood policy this year, down one percentage point from 2011. Those numbers climbed a measly five percentage points to 14% in the Northeast after Hurricane Irene let out a clarion call to homeowners last year.

When the tab on Sandy’s destruction is finally rung up — and that will be years from now — it’s estimated to run from $10 billion to $20 billion in total economic damages, according to Eqecat, a disaster and risk-modeling firm. More troubling: The firm predicts only $5 billion to $10 billion of that will be insured losses on claims by homeowners and business owners. About $16.2 billion was paid out to Hurricane Katrina victims, according to the National Flood Insurance Program. Damages for Katrina totaled about $135 billion).

“A lot of people are going to have to pay for all of that out of pocket,” Egan says.

If your car was one of those floating around like a plastic toy in a bathtub, your auto insurance should take care of the damages. What it won’t cover, however, is anything you might have left in the car, like that leather jacket, a laptop or piles of CDs. That’s covered under your homeowner’s policy.

Here’s something else you might not know: If you were living in an area in which government officials ordered a mandatory evacuation, your homeowner’s insurance will pick up “additional living expenses,”

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which would be hotel bills. Even if the home was flooded and you're not covered by flood insurance, you can still make that claim. That said, "if you're not at home simply because your power is out, that does not qualify for an additional living-expenses claim," says Amy Danise, editorial director at Insure.com.
Insurance pros also encourage homeowners to find an outside adjuster. "The adjuster from your insurance company works for the insurer, not for you," Danise says. The industry calls them "public adjusters," but that doesn't mean they're free. You hire them to work on your behalf to streamline and expedite the claims process.

Homeowners should also brace themselves for sticker shock when it comes to replacing what's wrecked in their homes. There's a nifty tool to help determine the cost of flooding at Floodsmart.gov , which is the official site of the National Flood Insurance Program. The numbers, which aren't guaranteed, are based on the average U.S. home of 1,000 square feet and 2,000 square feet.

For example, if your home is 2,000 square feet and you had 6 inches of water, which would soak everything touching the floor to about the top of the baseboard, the losses are projected to reach $39,150. That includes $15,870 to get the wood floors refinished and/or carpeting replaced, $2,150 to replace doors, base trim and windows, and $2,000 for cleaning. It only allocates $150 for the washer and dryer and $4,500 for kitchen and bath cabinets. At 2 inches, which would have water seeping into the bottom drawer of a file cabinet, the costs are estimated at $22,500.

Here's a quick primer on what you need to know and do:

Read your policy. Yes it could put you to sleep and it's loaded with legal mumbo-jumbo but you need to know what's in it. If you don't understand it, there are consumer advocacy groups that can help you, like the Consumer Federation of America or United Policyholders.
Insurance claims are handled on a first-come, first-serve basis, so if you have damage, call your insurance agent immediately.
Speed up the process by having your policy number with you when you make the call. Keep track of the new claims number given.
Do not enter your home until you're sure there has not been any structural damage. You don't want to deal with medical insurance and hospital bills too or have a building collapse on you.
Take photos of everything . If you haven't already done an inventory, do a mental one and back it up with the photos. If there's flood water, photograph that or the water marks it has left.
Make a list of damaged or lost items and include their purchase date and value with receipts if you still

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have them. Use your credit- and checking-account debits if needed. If you absolutely have to throw items out, be sure you have photographed them well.
Save any damaged property, even if it stinks. The quicker you dry it off, the less chance for mold.) Claims adjusters want to see if that rug was really worth the $12,000 price tag you might have put on it.
Make a record of all the conversations you've had with your insurance company including the names, dates and times called and details about the call.
Keep receipts of everything: hotel, restaurant and laundry expenses as well as expenses to cover the hole from the fallen tree or the blown-out window until they're fixed or replaced.
Hire an outside insurance adjuster. You can find a licensed public insurance adjuster at the National Association of Public Insurance Adjusters website.
If you're unhappy or concerned about how the insurance company is handling your claim, contact your state's insurance department. The National Association of Insurance Commissioners has done the legwork for you, no matter where you live.
Check into flood insurance for the next hurricane/tropical storm to wallop your neighborhood. The Federal Emergency Management Agency just got the nod to extend the National Flood Insurance, which covers up to $250,000 for the structure of the home and another $100,000 for your possessions. It will cost you less than $600 a year.
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