

## **After the Hurricane, Dealing With Insurance Claims**

The New York Times

As Hurricane Dorian churned north this week, residents along the Atlantic coast were preparing to assess the possible damage to their homes, and to determine what their insurance policies will cover.

Homeowners whose properties were affected by the storm should act as quickly as feasible to take stock of the extent and likely cause of any harm, said Amy Bach, the executive director of United Policyholders, a nonprofit organization that advocates for consumers.

“Focus on figuring out: What happened to your home, and what damage did it cause?” she said.

Generally, people expect that because they have paid for insurance coverage, they will be automatically reimbursed for any disaster-related damage, Ms. Bach said. But after confronting numerous costly disasters in recent years, she noted, insurers have increasingly shifted more risk to policyholders by taking steps like setting higher deductibles, increasing how much customers must pay out of pocket. And after a major storm, Ms. Bach added, insurers may also hire contractors for help in assessing the large number of claims submitted, and those firms may not have time to do thorough reviews.

So it is worth spending the time to do your own assessment, make notes of your observations and take pictures to document any damage before making temporary repairs, Ms. Bach said.

“These days,” she said, “people are always in for more complications than they expect in order to collect their benefit.”

For example, water damage caused by rain coming through a damaged roof is probably covered by a homeowner’s policy, but water rising into a home from a storm surge is considered flooding and probably is not. Regardless of the specific type of damage, an insurer may arrive at a finding that differs from yours about whether repairs are covered. Photos of missing shingles or a gash in the roof can help bolster a claim.

Standard homeowner policies generally cover damage to a home caused by wind and rain. But special hurricane deductibles often apply in coastal states, said Loretta Worters, a spokeswoman for the Insurance Information Institute, a trade group.

A homeowner policy's general deductible is often a flat amount — \$500, say, or \$1,000. But if the damage occurred during a hurricane, the deductible may be higher, typically based on a percentage of the home's insured value. The amount usually ranges from 1 to 5 percent, but it can vary by state and insurer and may run higher for homes in high-risk areas. If your home is valued at \$350,000, for example, your hurricane deductible could be \$3,500 or more.

The policy will also define the deductible's "trigger," such as when the National Weather Service officially names a tropical storm or declares a hurricane warning.

Most homeowner policies, however, exclude damage from flooding, even if it is caused by a hurricane's storm surge, Ms. Worters said. For flood coverage, you need a separate flood policy. Most flood policies are sold by the National Flood Insurance Program, although a few private insurers sell them, too.

Rates for flood insurance reflect several factors, including the year a house was built, its elevation and whether it is in a flood-prone area. The average annual flood premium is about \$700, Ms. Worters said. But premiums can be much steeper in high-risk areas.

New flood policies typically do not take effect until 30 days after they are bought. "You can't buy flood insurance when a hurricane is coming," Ms. Worters said.

The federal flood program has come under scrutiny in recent years, as the cost of cleaning up after intense storms has increased. Various plans have been proposed in Congress to make flood insurance more widely available and to ensure that rates reflect the risk to the insured property. The next deadline for the program's reauthorization is Sept. 30.

Flood damage to your car is covered by your auto insurance policy, if you carry optional comprehensive coverage, according to the National Association of Insurance Commissioners.

Although it may be challenging to find a contractor soon after a major storm, Ms. Bach also recommended obtaining an independent quote for repairs, if possible, rather than simply accepting the amount set by your insurance company.

But consumers should take care to avoid fraudulent contractors who prey on disaster victims. Legitimate contractors will not demand cash upfront, the office of Florida's chief financial officer warned in a Hurricane Dorian advisory. The office also alerted consumers to beware of impostors who claim to be representatives of the Federal Emergency Management Agency and ask for money to help file insurance claims or obtain disaster assistance.

"FEMA does not charge for this service and does not go door to door in this capacity," the office said.

If damage to your property is relatively minor, and the cost of repairs is unlikely to top your deductible, consider not filing a claim, Ms. Bach said. You may not receive any payment, she said, and you will have a record of a claim that could end up increasing your annual insurance premium.

“We recommend using common sense,” she said.

Here are some questions and answers about hurricanes and insurance:

How many states have insurance policies with hurricane deductibles?

Nineteen states and the District of Columbia have special hurricane deductibles, according to the Insurance Information Institute: Alabama, Connecticut, Delaware, Florida, Georgia, Hawaii, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Texas and Virginia.

Where can I find my insurance policy’s hurricane deductible?

You can usually find it on your policy’s first or “declarations” page, often in larger type or a bright color that makes it visible.

When does hurricane season officially end?

The Atlantic hurricane season runs from June 1 through Nov. 30. Even as Dorian was moving up the coast, other tropical storms were forming far out over the ocean.