

## [Insurance claims skyrocket as pipes burst from winter storm](#)

San Antonio Report

Even as power has flickered back on, the deep freeze San Antonio was cast into last week continues to cause problems in the form of burst pipes, collapsed roofs, and water damage.

As costs begin to tally, many are utilizing their homeowners insurance at predicted record amounts.

“This will be the largest non-hurricane insurance event in the history of Texas,” said Mark Friedlander, a spokesman for the Insurance Information Institute, a trade group for the industry.

The majority of these claims, insurers said, have been for damage related to burst pipes and power failures.

At the end of last week, San Antonio-based USAA reported more than 30,000 claims related to the recent winter weather – the majority being in Texas – and said it expected that number to climb as the state thaws out.

State Farm, the country’s largest home insurer by premium volume, said it had handled 18,900 claims related to frozen and burst pipes as a result of the storm across Texas. For reference, last year it reported 75 such claims in the state. The average claim that year was slightly more than \$10,000.

For many, it will be their first time filing claims for this kind of damage.

The Texas Department of Insurance has [posted tips](#) that include taking pictures of damage and saving receipts for all related expenses.

Experts say the best thing to do is to first review your policy. Standard homeowners insurance often covers damage from burst pipes, as well as damage to roofs, and even living expenses if a home is made

uninhabitable – but there may be complications.

Amy Bach, executive director with consumer advocacy group United Policyholders, said policyholders should “think before they file.”

If the damage is relatively minor and repair costs won’t meet the deductible, then filing could actually hurt a homeowner down the line. Insurers look at a [common database called C.L.U.E.](#) to examine a claimant’s history, similar to how banks use a credit score. A claim that doesn’t result in an insurance payment still counts as a claim filed.

“Understand your loss,” Bach said. She recommended homeowners get an estimate of the damage from a professional first, and then to look at their policy’s deductible – which could be a flat dollar amount or, increasingly, a percentage figure.

A potential wrinkle homeowners should look for is whether their policy has “actual cash-value” coverage – which takes depreciation into account in making payouts – or “replacement cost” coverage, which is more expensive but pays for a full replacement of personal property.

All of this information can be found on the first page of a policy, called the “declaration page,” Friedlander said. The agent for a policy also can clarify details about specific coverage, including possible limits, before a claim is filed.

Claims should be filed as soon as possible, the Insurance Information Institute spokesman said. If emergency repairs are needed, many insurers are allowing policyholders to move forward immediately with a plumber or other tradesperson.

Be careful to avoid fraud from unscrupulous contractors, said Camille Garcia, a spokesperson for the Insurance Council of Texas.

“Identify your contractor through references, speak to your family, friends, neighbors, and look at their online reviews,” she said. She also recommended policyholders not sign their insurance proceeds check over to a contractor and to only pay the contractor in increments as the work is satisfactorily completed.

During the claims process, Garcia said, homeowners should document all conversations with their

adjuster, as well as contractors and other relevant parties.

“This will help in follow up, setting expectations, and timelines,” she said.

The process can go faster if policyholders file a claim virtually, an option that insurers have increasingly adopted amid the coronavirus pandemic. Claimants can use video-chat apps to show adjusters the damage.

However, many carriers are also sending additional adjusters from other states to help in-person with the vast numbers of claims being filed, Friedlander said.

“Insurers are well-prepared to handle a loss of this magnitude,” he said. “They have the reserves. They have the personnel.”