

[Insuring your car for storm damage](#)

Auto Insurance Center

Category 5 coverage: Is your policy hurricane-proof?

No one expects to have their car float away in 12 feet of floodwater and end up perched atop a tree, or pinned under a house.

But there were a lot of those kinds of insurance claims filed by Gulf Coast residents a decade ago in the wake of Hurricane Katrina.

When all was said and done, the storm resulted in \$2.2 billion in auto losses, which accounted for 5.3% of the insured losses from the storm, according to an Insurance Information Institute study.

Mega storms like Katrina and Superstorm Sandy exposed the fact that many consumers are unprepared to deal with the kind of widespread damage that hurricanes and other catastrophic weather events can leave in their path.

Here are seven ways to hurricane-proof your auto policy:

1. Don't skimp on comp.

If a majestic old oak tree falls on your car or floodwaters carry your vehicle to your neighbor's rooftop, the only way to cover the damages is through comprehensive coverage. Collision covers you only if you hit another car or object, and liability pays for damages to another person resulting from an accident that you cause. Comprehensive coverage is what takes care of everything else – from wind and hail to riots and fires.

"If you were carrying liability-only coverage and your car got damaged or destroyed, you're going to wish that you had full coverage under your auto policy, Amy Bach, executive director of United Policyholders, a nonprofit consumers group.

Consumers need to ask themselves whether they can afford to repair or replace their damaged car without insurance. If the answer to that is no, then they should consider buying collision and comprehensive coverage, says Lynne McChristian, Florida spokeswoman for the Insurance Information Institute. "The big advice is don't risk a lot of your money to save a little bit," she says.

The good news is that unlike homeowners policies, motorists don't need to obtain any storm-specific coverage to protect their vehicles. With homeowners insurance, you have to obtain a separate policy if

you want flood coverage. That's not the case for auto.

But recognize that homeowners insurance will not cover damage to your car – even if the house itself crushes it.

2. Study up on storm coverage.

Even though you don't need to add any kind of wind or flood coverage for your car, it's a good idea to ask your insurer if you have the right coverage in place to protect against all of those things, Bach says.

"If they confirmed you're adequately covered, put those notes in a safe place. If they recommend an adjustment to your coverage, then follow through," Bach says.

If you don't have an agent and get your insurance online, you need to do some legwork before you get a policy, especially if you're in an at-risk area, Bruce Betzer, a New Orleans area personal injury attorney in the New Orleans area who also handles insurance claims.

"Know what you have, what kind of vehicle you have, and understand what it's worth. Go to NADA and enter in your features. Think about where you are in life, too, Betzer says. "Do you have assets? Are you living paycheck to paycheck? If you don't have anything to lose, get the minimal policy limits," Betzer says.

You might also want to consider adding rental coverage to your policy. After a car is damaged, insurance companies might spend months investigating what happened. If you don't have rental coverage on your policy, you will most likely have to go without a car. "The catch is that they don't always pay back what you pay out," Betzer says.

3. Be willing to pay more.

If you live in a hurricane-prone area, protecting your vehicle comes at a cost – and it's usually a higher one. In Louisiana, rates rose steadily in the years after Hurricane Katrina. The average annual premium was \$1,275 in 2012, according to the most recent figures available from the National Association of Insurance Commissioners. That's up 9% percent from \$1,174 in 2003.

4. Don't wait until a Category 3 is bearing down.

If The Weather Channel has your area within the "cone of uncertainty," you're probably too late to take action on your policy. Most car insurance companies put temporary restrictions in place blocking new policies whenever a named storm forms.

"Don't wait until NOAA has issued the warning saying something's coming your way. Even if an agent tells you that they can make changes), there's a chance the insurance company is going to reject it," Bach says.

Peter Kochenburger, executive director of the insurance law program at the University of Connecticut School of Law, points out that Guidelines vary from state to state governing when policy changes will be

suspended. “In states prone to severe weather, it’s increasingly common for state insurance departments to issue warnings shortly before a storm,” he says.

The best idea is to look at your declarations page well before storm season to see what’s covered and what your deductible is. “Reconsider what you purchase every year, and make sure you’re still comfortable with those decisions,” McChristian says.

5. Be honest about where you park your car.

Some motorists have been known to insure their car at a different address from where they live. But if you’re telling your insurer that your car stays at your parents’ house in the country just to keep costs down, even though it’s actually parked in front of your downtown condo, you might be setting yourself up for trouble. If you’ve been dishonest and a hurricane whips through your city, getting your claim paid could prove difficult.

“If you’ve been fudging on the principal place of garaging for your car in order to get a cheaper price on your insurance, you might want to reconsider that for storm season,” Bach says.

6. Look out for yourself.

Auto insurance is a contract, and that means insurance companies are going to be looking out for their own best interests. It’s up to motorists to look after their own. That’s especially true if you’re making a claim after a storm.

“That’s not saying that every company is going to low ball or cheat you. But the car owner’s interest and the insurance company’s interest is not the same, you want to make sure you get the full value you’re entitled to in your settlement,” Bach says.

Insurance companies are held to regulatory requirements and are expected to pay a claim up to the amount owed. “They’re not required to pay a dollar more, but they’re also not allowed to pay a dollar less,” Kochenburger says. “You have every right to pick up the phone and say, ‘I disagree, and here’s why.’”

Also understand that after a storm, adjustors have a large volume of cases and might be new to the area, with little training. Be polite, Kochenburger says, but don’t be afraid to speak up. “Don’t assume the adjustor has a lot of experience. Don’t be afraid to challenge them,” he says.

If you need to take things a step further, you can file a complaint with your state insurance office.

“Regulators have a lot of power over insurance companies. It’s not going to get buried,” Kochenburger says.

It’s also a good idea to get a second opinion, especially when the value of your car is on the line. “The insurance company is going to protect its interest,” Bach says. “You have to make sure you’re going to protect yours.”

7. Expect the unexpected.

Unforeseen weather events happen all the time. “The fact is no one gets used to it,” McChristian says. “You don’t think it’s going to happen to you, but the smart money is on taking steps to financially protect yourself, and that’s what auto insurance is.”