

[Tips for making insurance claims after Sandy](#)

http://www.philly.com/philly/columnists/jeff_gelles/20121104_Jeff_Gelles__Tips_f...

One inevitable consequence of the megastorm named Sandy will linger for a long while after the devastation is cleaned up and the victims buried: a large number of insurance claims from people hoping to rebuild their homes and their lives. Sandy's historic size and scope mean that many face losses far bigger than they've ever encountered. Others will count themselves lucky while dealing with lesser damage.

Drawing on experience from disasters elsewhere, consumer advocates and insurance experts offered answers last week to some key questions that many homeowners may face, and suggested resources for locating others:

When should I file a claim? The answer may seem obvious, but it isn't always.

If you suffered serious damage, said Rutgers University law professor Jay M. Feinman, "it makes sense to get in touch with your insurance company and stay in touch with them." If you have water damage, it's crucial to begin drying out the property as soon as possible to guard against secondary damage such as mold. Your insurer may have the best access to a restoration contractor.

With lesser damage, you may want to get estimates first. If you have a \$1,000 deductible and a \$1,200 repair, you may pay more in future premiums than you get.

"The big thing to do is to make an informed decision on whether to make a claim, and to do that you need to get reliable estimates of costs of repair," said Amy Bach, who runs United Policyholders, a California group formed after allegations that insurers shortchanged victims of the 1989 Loma Prieta earthquake. For more information, including its "Roadmap to Recovery" tools, go to www.uphelp.org.)

Does my "hurricane deductible" apply? On Friday, Gov. Corbett followed the lead of his counterparts in New York, New Jersey, and other states and made the answer clear for Pennsylvanians: The hurricane deductible does not apply to Sandy damage. The catch: Some may face higher deductibles than they

expect.

Hurricane deductibles, which Corbett said typically range from 1 percent to 5 percent of a property's value, are just one of the ways insurers try to limit their exposure to storm losses. If your \$300,000 house is hit by a hurricane, you might be on the hook for \$15,000 in damages.

That concern was eliminated by Sandy's last-minute change in character – meteorologists reclassified it as a “post-tropical cyclone” before it slammed into the Jersey Shore – and state officials' rulings. But some policies may still have separate, higher thresholds such as “windstorm deductibles,” said Rosanne Placey, spokeswoman for Pennsylvania's Insurance Department. Placey's advice: Check your policy.

Is water damage covered? This is often the key question after a weather-related disaster, and one of the trickiest. Inevitably, some disputes will wind up in court.

Most homeowners, especially at the Shore, are aware that even “all perils” homeowners policies generally exclude flood damage. That's why the federal government offers the National Flood Insurance Program and urges people in high-risk areas to buy it.

But as Hurricane Katrina illustrated repeatedly, what qualifies as flood damage isn't always clear.

“If it was a wave, that's pretty straightforward,” Bach said. “If it was the failure of some sort of a physical structure – if a drain got blocked, or a wall was breached, or a tree fell on a house and water got in from the rain, or a window broke, then the policyholder has a stronger argument for coverage.”

Bach said she would encourage Sandy victims “to not take ‘no’ from their insurance companies until they've gotten some expert opinions on exactly what caused the damage at their house.”

John Ellison, a partner at Reed Smith L.L.P., who specializes in representing businesses with damage claims, said homeowners should be equally skeptical – and seek expert advice – if an insurer declines coverage based on a policy's legal terms.

Ellison said, for instance, that damage from Sandy's powerful storm surge may sound to a lay person like excludable flood damage, but may still be covered by a homeowners policy. “If the policy doesn't mention ‘storm surge,’ it should be covered,” he said. “It's recognized in the meteorological world as a

different phenomenon than a flood or a hurricane. It's a separate event."

What about damage from multiple causes? This is what makes some water-damage claims especially tricky - the flood exclusion combined with an increasingly common feature in policies: an "anti-concurrent causation clause."

That legal mouthful - barred by some places, but not by New Jersey or Pennsylvania - enabled some Gulf Coast insurers to deny entire Katrina claims because part of the damage could be linked to flooding. Bach said insurers basically told homeowners, " 'We don't care if it was a combination of perils that caused the loss. If one of those perils was excluded, the whole claim is.' "

Michael F. Consedine, Pennsylvania insurance commissioner, said the state's message to insurers was to use common sense and compassion in evaluating claims. "Ultimately," he said, "they need to work with their customers, the policyholders, and not be an impediment to their recovery."

Where do I get help? Feinman said hiring a reputable public adjuster makes sense for more serious claims, or if you're worried an insurer is lowballing a claim. Occasionally, you may need a lawyer. You can also seek help from your state insurance department. Online, try United Policyholders or the Insurance Information Institute (www.iii.org).

Above all, remember that your insurer wants to minimize its costs, but also wants to keep you happy, keep valuable customers, and preserve its reputation.

"Give your insurance company a chance to do the right thing," Bach said. But if it doesn't, she said, you may have to fight back.