### Hurricane Irene FAQs: What Is Covered Or Not In Your Insurance Policies

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• COMMON INSURANCE QUESTIONS FOLLOWING A HURRICANE">COMMON INSURANCE QUESTIONS FOLLOWING A HURRICANE

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**NEW YORK, August 29, 2011**? Insurance companies are already handling claims and working to get people back to normal after the devastation caused by Hurricane Irene this weekend. Because of the widespread scope of hurricane damage, insurers give those who suffered the most damage first priority. Claims adjusters are already on the scene of the most severely impacted neighborhoods, and in addition to settling claims, they are answering many questions about how insurance works following a natural disaster. The Insurance Information Institute has outlined some of those questions below.

# COMMON INSURANCE QUESTIONS FOLLOWING A HURRICANE

#### 1. Is damage from hurricane winds covered under my homeowners insurance policy?

Property insurance covers damage from windstorms, such as hurricanes and tornadoes, to the ?residence premises,? whether it is a single-family home, a duplex where the policyholder lives in one of the units, or any other building where the policyholder resides as shown on the insurance declarations page. Dwelling coverage also applies to an attached structure, such as a garage or deck. A standard homeowners policy also covers ?other structures? that are unattached, such as a separate garage building or shed and swimming pools. The policy also includes coverage for damage to contents.

Damage from flooding, including flooding generated by hurricane-generated storm surge typically is not covered under a standard homeowners policy. Flood insurance is available from the National Flood Insurance Program (NFIP).

#### 2. Does my renters insurance cover damage from hurricane winds?

A ?tenant homeowner policy? or renters policy covers personal belongings that may be damaged from the storm by wind. Damage from flooding may be covered under some renters policies, although most require separate policies be purchased from the NFIP. Damage unrelated to your personal possessions, such as part

of the apartment?s structure like walls and floors, is covered under the policy of the building owner.

## **3.** Are flood losses covered under my homeowners insurance policy? How will insurers handle claims that involve both wind and flood damage?

While there are a few exceptions, the vast majority of homeowners and renters insurance policies do not cover flood damage. Flood coverage requires a separate policy from the federal government?s National Flood Insurance Program (NFIP). If you purchased a flood policy, in most cases you can file a flood claim with your insurer, although some companies may have you file directly with the NFIP. Some companies may send a single adjuster to handle both the flood and wind claim, while others may send two claims professionals who specialize in distinguishing between the two types of loss. Determining the precise cause of damage is necessary to properly pay the claim.

#### 4. Is storm surge considered flood damage?

Yes, the insurance contract has a clause that excludes the liability for damage caused by flooding, and storm surge is flooding.

#### 5. I live in a condo/co-op. Am I covered for hurricane damage to my unit?

If you have purchased a homeowners policy tailored to condominiums or a co-op, you would be covered for damage to the interior space of your home. The condo association?s insurance might have coverage for your fixtures, wiring or plumbing, or it may only provide coverage from the ?bare walls? and not what is behind them, so you should obtain a copy of the master policy to understand what is covered.

#### 6. Is flooding covered under a condo/co-op insurance policy?

Flood damage to the building is covered only if the condo/co-op association purchased a separate flood policy, either from the NFIP or through a private insurance company. This flood insurance would cover only the structure itself, including common areas; the condo-co-op flood insurance policy will not pay for damage caused by flood waters to the personal belongings of individual tenants. Tenants would have flood damage coverage only under their own flood policy, if they purchased one.

#### 7. My car was flooded in the storm. Is it covered?

Flood damage to vehicles is covered if you have purchased comprehensive coverage, also known as ?other than collision? coverage, which is optional with a standard auto policy.

#### 8. If I make temporary repairs to my home, will I get reimbursed?

Yes. Do not wait until a claims adjuster arrives to make temporary repairs needed to prevent further damage. Most policies have a provision to reimburse you for the expenses of reasonable and necessary repairs that protects against more damage, up to a specified dollar amount. Be sure to save all the receipts from your repair purchases.

## **9.** The power went out during the storm and food in the refrigerator and freezer were spoiled. Is that covered?

Following a hurricane, most insurance companies include food-spoilage coverage, usually for a set amount that can range from \$250 to \$500 per appliance. In a non-storm situation, however, if you lose electrical power without damage to the residence, it is typically not covered in the insurance policy. Most policies include coverage for ?sudden and accidental damage from artificially generated electrical current,? meaning that a power surge would be covered that damaged the building and items considered part of your home, such as a built-in range or heating/air conditioning system, but not damage to transistors, computer chips and other similar items. This means damage from a power surge would not cover items such as televisions, VCRs, and computers.

#### 10. Should I file a claim if the damage is less than my deductible?

Yes. Sometimes there may be additional damage that becomes evident in the months following a significant storm. Filing a claim, even if the damage total is under your deductible, will protect you in the event further repairs are needed. And if your home suffers damage from more than one storm in a single season, the damage from the first storm may apply toward the deductible amount.

#### 11. My home was not damaged, but can I file a claim for the large tree that fell in my yard?

Homeowners insurance policies do not pay for removal of trees or landscaping debris that did no damage to an insured structure. If a tree hit your home, that damage is covered. If your tree fell on your neighbor?s yard, his or her insurance company would pay for the damage; however, if the felled tree was poorly maintained or diseased and you took no steps to take care of it, their insurer may seek reimbursement from you for the damages.

#### 12. My home is uninhabitable. Does my policy cover temporary living expenses?

Most policies cover additional living expenses, which are the extra charges over and above your customary living expenses incurred when you are displaced from your home and need temporary shelter. The amount is generally 20 percent of the insurance you have on your home. Some insurers pay more than 20 percent; others limit additional living expenses to an amount spent during a specific time period. You should always check with your insurer to be sure you understand what this coverage allows. Keep all your receipts to document your expenditures.

#### 13. If I evacuated due to the storm, are my evacuation expenses covered?

It depends on what is stated within your insurance policy. Generally, mandatory evacuation expenses are covered under certain conditions.

### 14. I have a percentage deductible for hurricane damage. How do I know what my out-of-pocket costs are?

The declarations page of your insurance policy details the exact dollar amount of your hurricane deductible. Whether a hurricane deductible applies to a claim depends on the specific ?trigger?, which can vary by state and insurer and is usually linked to wind speeds. Percentage deductibles were adopted by many coastal states to lower the cost of annual insurance premiums and have those impacted by the storm more directly pay for recovery costs.

For more information:

- Recovering from a Flood
- Hurricane Insurance Fact Sheet

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