Major Winter Storm Is Expected to Hit East Coast Thursday and Friday; the I.I.I. Has Statistics and Insurance Information Available For Reporters

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NEW YORK, January 2, 2014 ?The National Weather Service (NWS) is reporting that a complex storm system will bring wintry weather to much of the Northeast today and tomorrow (January 3). A combination of heavy snow, strong winds, and frigid temperatures are forecast for the region. Reporters with questions about insurance coverage can contact the Insurance Information Institute (I.I.I.).

?Severe winter storms are often the third-largest cause of insured catastrophe losses in any given year?after hurricanes and tornadoes,? said Dr. Robert Hartwig, president of the I.I.I. and an economist.

?Winter storms accounted for 7.1 percent of all insured catastrophe losses between 1993 and 2012, placing it third behind hurricanes and tropical storms (40 percent) and tornadoes (36 percent) as the costliest natural disasters,? added Hartwig.

On an inflation-adjusted basis, insurers paid $27.8 billion in winter storm claims to policyholders over this period?or $1.4 billion per year, on average, according to Property Claims Service for Verisk Insurance Solutions.

The I.I.I. offers the following information on insurance coverage for winter storms.

Auto Insurance Policies

- Property damage liability coverage pays for damage you (or someone driving the car with your permission) may cause to someone else?s property caused by ice, snow and slippery roads. Usually, this means damage to other cars, but it also includes damage to lamp posts, telephone poles, fences,

buildings or other structures your car may hit.
- Collision coverage pays for damage to your car resulting from a collision with another car, object or as a result of flipping over. It also covers damage caused by potholes.
- Physical damage to a car caused by heavy wind, flooding, fallen ice or tree limbs is covered under the optional comprehensive portion of an auto policy.

Homeowners Insurance Policies

- Wind-related damage to a house, its roof, its contents and other insured structures on the property is covered under standard homeowners insurance policies. Wind-driven snow, sleet or rain that causes an opening in the roof or wall and enters through this opening is also covered.
- Tree limbs that fall on a house or other insured structure on the property would be covered for both the damage the tree inflicts on the house and the cost of removing the tree, generally up to about $500. Ice or other objects that fall on the home are also covered.
- Damage to the house and its contents caused by weight of snow or ice that creates a collapse is covered under standard homeowners insurance policies.
- Freezing conditions such as burst pipes or ice dams?a condition where water is unable to drain properly through the gutters and seeps into a house causing damage to ceilings and walls?is covered. However, there is generally a requirement that the homeowner has taken reasonable steps to prevent these losses by keeping the house warm and properly maintaining pipes, drains and gutters.
- Melting snow that seeps into a home from the ground up is considered flooding and would be covered by flood insurance, which is provided by the National Flood Insurance Program and a few private insurers. Flood insurance is available to both homeowners and renters. Flood damage is *not* covered by standard homeowners or renters insurance policies.
- Homeowners policies also include additional living expenses?in the event a home is severely damaged by an insured disaster, this would pay for reasonable expenses incurred by living elsewhere while the home is being fixed or rebuilt.

If you have to file an insurance claim, contact your insurance company as soon as possible. Let them know the extent of the damage and how they can reach you over the next few days. The I.I.I. also has detailed claims filing information to help make the process as easy as possible.

Reporters can contact the following I.I.I. insurance experts for information or interviews:

- Dr. Robert Hartwig, President and Economist: 212-346-5520; bobh@iii.org
- Jeanne M. Salvatore, Senior Vice President and Chief Communications Officer: 212-346-5555; jeannes@iii.org
- Michael Barry, Vice President, Media Relations: 212-346-5542; michaelb@iii.org
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