



Presentation to the National Policy Institute on Emergency Planning and Preparation

Presented by National Association of Latino Elected and Appointed Officials Educational Fund

July 22, 2012

New Orleans, LA

Jeanne M. Salvatore, Senior Vice President, Public Affairs and Consumer Spokesperson

Insurance Information Institute ♦ 110 William Street ♦ New York, NY 10038

Tel: 212.346.5555 ♦ jeannes@iii.org ♦ www.iii.org

Presentation Outline – Insurance and Disasters

- I. Disaster Insurance 101 – What’s Covered and What’s not by Standard Home and Business Insurance Policies
- II. Steps Should Consumers Take to Prepare for a Disaster
- III. How the Claims Process Works
- IV. Results of an I.I.I. Poll on Disaster Preparedness
- V. I.I.I. Resources



Disaster Insurance

Are Acts of God Covered?



**What do You Think?
Why?**

- The term “Act of God” is not written in standard auto, home or business insurance policies in the U.S.
- Instead, insurance policies list disaster which are covered and disasters which are not.
- Standard homeowners, renters and business insurance policies provide coverage for fire, lightning, windstorm, hail, theft, vandalism, explosion and other disasters listed in the policy. The two major disasters that are not covered are flood and earthquake. Separate insurance is available, however.
- The optional comprehensive coverage under an auto insurance policy provides coverage for damage caused by natural disasters including earthquake and flooding.

- Flood coverage is available from FEMA's National Flood Insurance Program and from a few private insurers.
- The NFIP provides coverage for up to \$250,000 for the structure of the home and \$100,000 for personal possessions. The NFIP policy provides **replacement cost** coverage for the structure of your home, but only **actual cash value** coverage for your possessions. Flood insurance is available for renters as well as homeowners.
- There is a 30-day waiting period before the coverage takes effect.
- Excess flood insurance is also available from some private insurers for those who need additional insurance protection over and above the basic policy or whose community does not participate in the NFIP.



Call toll free: **1-888-379-9531** or **have u**

Search FloodSmart.go

HOME

FLOODING & FLOOD RISKS

ABOUT THE NATIONAL FLOOD INSURANCE PROGRAM

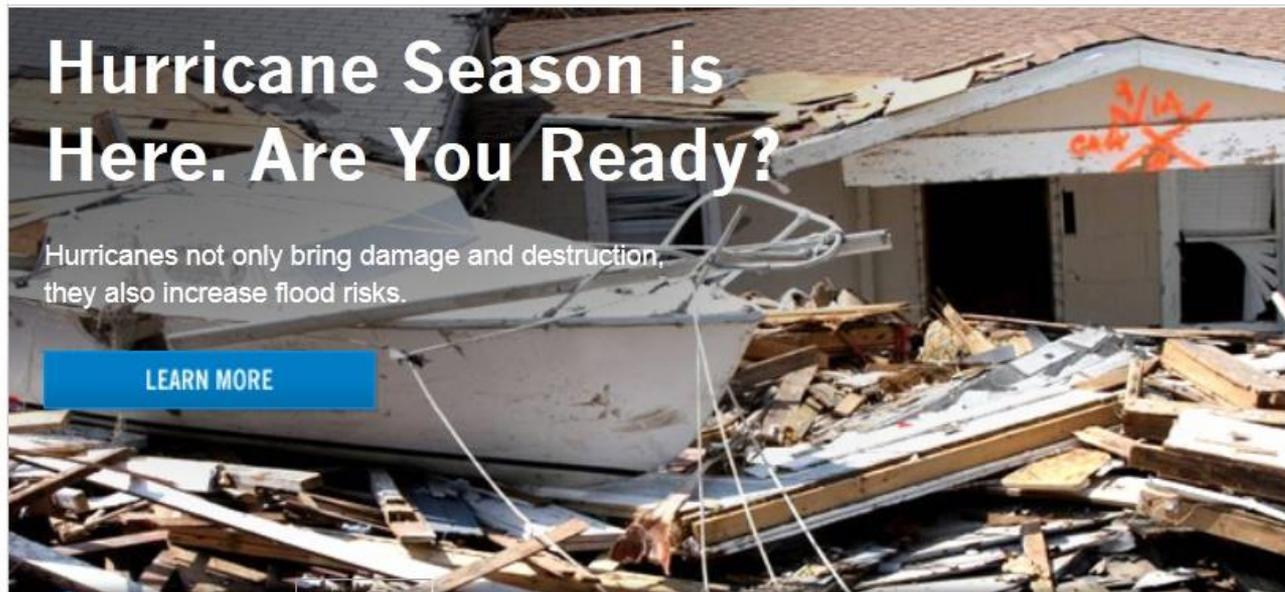
RESIDENTIAL COVERAGE

COMMERCIAL COVERAGE

PREPARATION & RECOVERY

RESOURCES

- > Agent Site
- > Agent Locator
- > Community Resources
- > File Your Claim
- > Frequently Asked Questions
- > Glossary
- > Flood Facts
- > Media Resources
- > Toolkits



Marker



[Hurricanes & Tropical Storms](#)

[TV Commercials](#)

[New Flood Maps](#)

[Video Testimonials](#)

Earthquake Insurance

- An earthquake is a sudden and rapid shaking of the earth caused by the breaking and shifting of rock beneath the earth's surface. This shaking can sometimes trigger landslides, avalanches, flash floods, fires and tsunamis. Unlike other natural disasters such as hurricanes, there are no specific seasons for earthquakes.
- Earthquake coverage is available for homes and businesses from private insurance companies and in California from the California Earthquake Authority. Earthquakes are covered under the optional comprehensive portion of an auto insurance policy
- The potential cost of earthquakes has been growing because of increasing urban development in seismically active areas and the vulnerability of older buildings, which may not have been built or upgraded to current building codes.

- A deductible is basically the amount “deducted” from an insured loss. Deductibles have been an essential part of the insurance contract for many years and represent a sharing of the risk between the insurance company and the policyholder. When repairing your home or replacing personal possessions, the amount of the deductible would come out of your own pocket.
- A deductible can be either a specific dollar amount or a percentage of the total amount of insurance on a policy. Generally speaking, the larger the deductible, the less a consumer pays in premiums for an insurance policy. Deductible amounts can be found on the declarations (or front) page of standard homeowners and auto insurance policies.

- if you have a \$500 “dollar deductible,” that \$500 would be deducted from your claim. So, if you have an insured loss worth \$10,000 you would receive a claims check for \$9,500.
- Percentage deductibles are calculated differently. They are based on a percentage of the home’s insured value. So if your house is insured for \$100,000 and you have a 2 percent deductible, \$2,000 would be deducted from the amount you are reimbursed on a claim. In the event of the \$10,000 insurance loss, you would be paid \$8,000.
- Deductibles in many parts of the country have been going up. In hurricane prone states, where there is a greater risk of a major catastrophe, special deductibles may apply for homeowners insurance claims when the cause of damage is attributable to a hurricane. These deductibles generally take the form of a percentage of the policy limits.

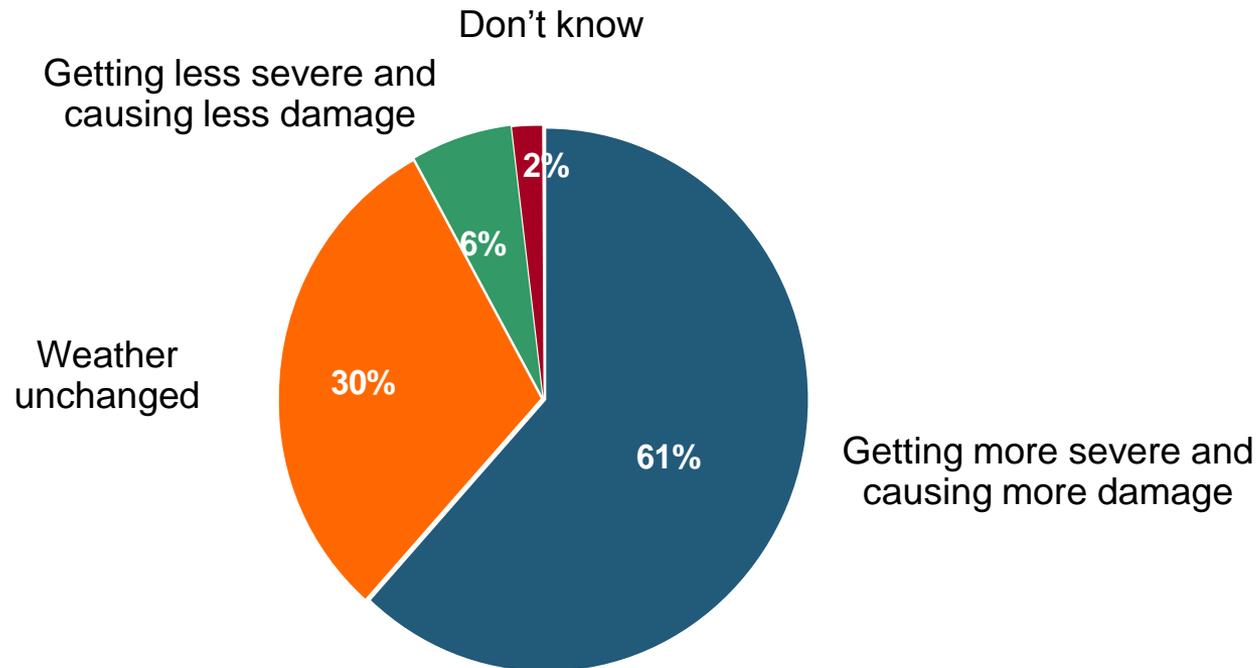
- **Percentage Deductibles Apply to Earthquakes, Hurricanes and Hail**
- **Earthquakes:** Deductibles for earthquake coverage can range anywhere from 2 percent to 20 percent of the replacement value of the structure.
- **Hurricanes and Hail:** There are two kinds of wind damage deductibles: hurricane deductibles, which apply to damage solely from hurricanes; and windstorm or wind/hail deductibles, which apply to any kind of wind damage.
- Every state from Maine to Texas has windstorm deductible.

Are Natural Disasters Getting More Frequent?

What do You Think?

I.I.I. Poll: Disaster Preparedness

Q. Regarding the weather in the United States in general, with which comment do you most agree?

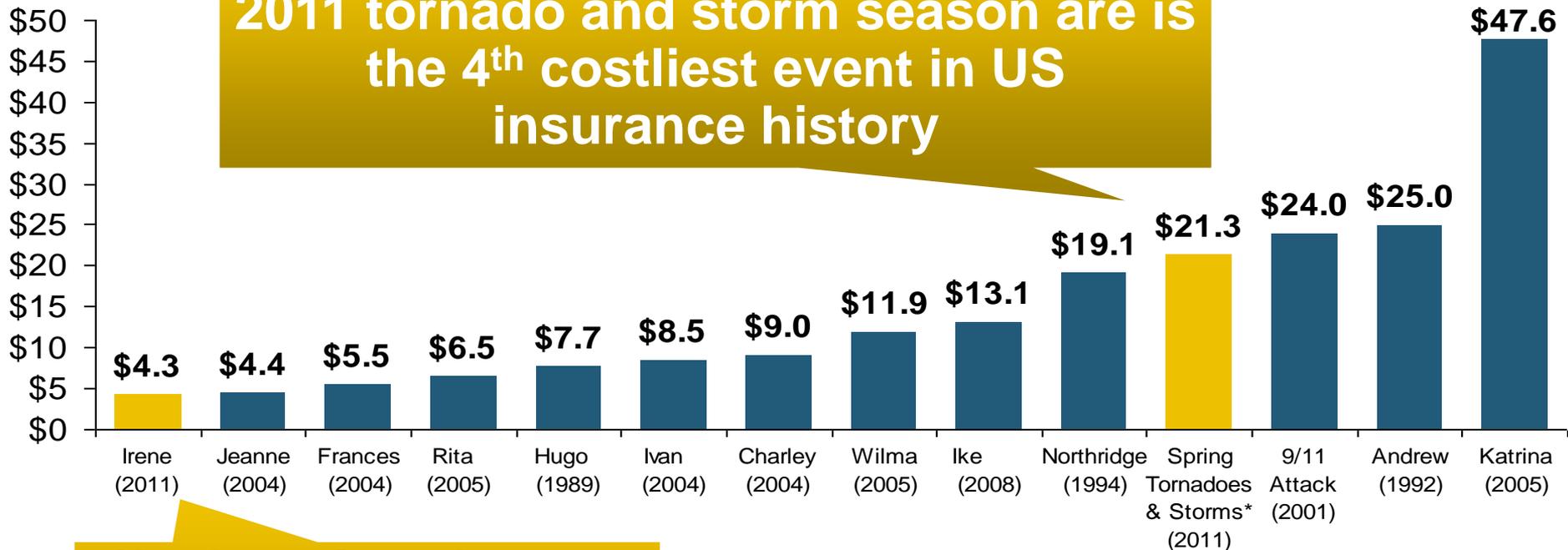


Americans Think the Weather Is Becoming More Severe

Top 14 Most Costly Disasters in U.S. History – Occurred last 20 Years

(Insured Losses, 2011 Dollars, \$ Billions)

Taken as a single event, the Spring 2011 tornado and storm season are is the 4th costliest event in US insurance history



Hurricane Irene became the 11th most expensive hurricane in US history

*Losses will actually be broken down into several "events" as determined by PCS. Includes losses for the period April 1 – June 30.

Sources: PCS; Insurance Information Institute inflation adjustments.



Steps Should Consumers Take to Prepare for a Disaster

Elements of a Disaster Plan

There are four key ways to Prepare for a disaster.

- First, you need the right type and amount of insurance for your specific insurance needs.
- Second, you need a home inventory.
- Third, know what you will need to take if you have to evacuated
- Four, know where you will go and how you will get there when there is a disaster.
- Lastly, remember to think about pets and others with special needs when creating your disaster plan

Get the Right Amount and Type of Insurance

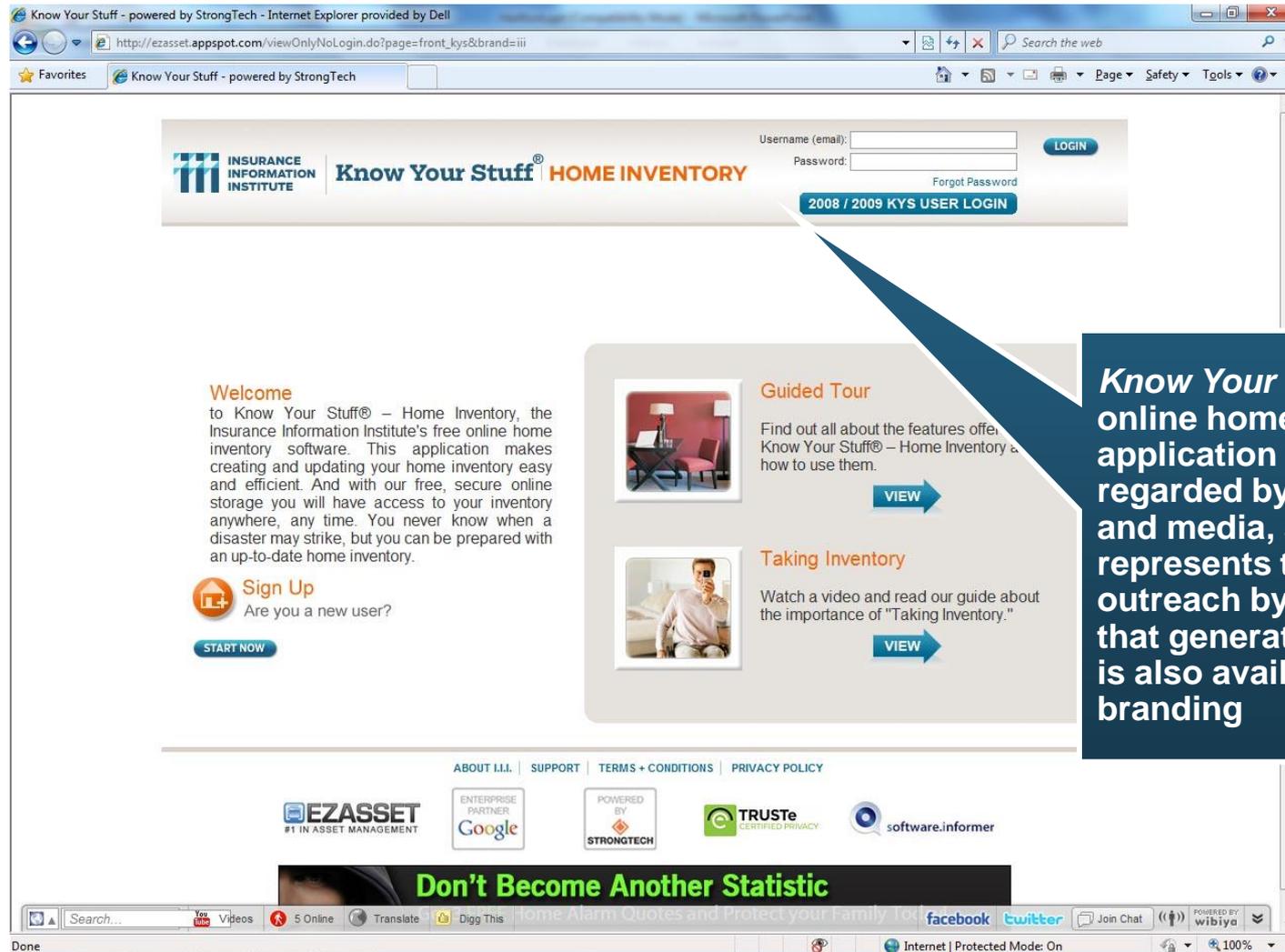
You need enough insurance to:

1. Rebuild your home. Do not insure to the real estate value of your home or you will likely be very under-insured. It is important to get the right amount of rebuilding costs and know all of your options.
2. Replace all of your personal belongings.
3. Have enough insurance for the cost of additional living expenses.
4. If you are a renter get renters insurance.

Conduct a Home Inventory

- A home inventory is a detailed list of all your personal possessions with their estimated value.
- It helps to purchase the right amount of insurance coverage.
- Makes it easier to file an insurance claim.
- And, lastly to substantiate unreimbursed property insurance losses for tax purposes or to apply for aid.

Know Your Stuff® - Home Inventory



The screenshot shows a web browser window displaying the 'Know Your Stuff - Home Inventory' website. The browser's address bar shows the URL: http://ezasset.appspot.com/viewOnlyNoLogin.do?page=front_kys&brand=iii. The website header includes the Insurance Information Institute logo and the text 'Know Your Stuff® HOME INVENTORY'. A login form is visible with fields for 'Username (email):' and 'Password:', a 'LOGIN' button, and a 'Forgot Password' link. Below the header, there is a '2008 / 2009 KYS USER LOGIN' button. The main content area features a 'Welcome' message, a 'Sign Up' button with the text 'Are you a new user?' and a 'START NOW' button. There are two promotional cards: 'Guided Tour' with a 'VIEW' button and 'Taking Inventory' with a 'VIEW' button. The footer contains navigation links for 'ABOUT I.I.I.', 'SUPPORT', 'TERMS + CONDITIONS', and 'PRIVACY POLICY', along with logos for 'EZASSET #1 IN ASSET MANAGEMENT', 'Google', 'STRONGTECH', 'TRUSTe CERTIFIED PRIVACY', and 'software.informer'. A banner at the bottom reads 'Don't Become Another Statistic'. The browser's taskbar at the bottom shows various icons and the system tray.

Know Your Stuff is a free, online home inventory application that is highly regarded by the public and media, and represents the type of outreach by the industry that generates great PR; it is also available for co branding

- Medicines, prescriptions and first aid kit
- Bottled water
- Clothing and bedding (sleeping bags, pillows)
- Flashlight, battery-powered radio and extra batteries
- Special items for infants or elderly or disabled family members
- Computer hard drive or laptop
- Photographs
- Pet food and other items for pets (litter boxes, leashes)
- Keep important documents in a safe place that you can access easily. In the event of an evacuation take the following documents with you:
 - Insurance policies
 - Prescriptions
 - Birth and marriage certificates
 - Passports
 - Drivers license or personal identification
 - Social Security cards
 - Recent tax returns
 - Employment information
 - Wills, deeds and recent tax returns
 - Stocks, bonds and other negotiable certificates
 - Bank, savings and retirement account numbers
 - Home inventory

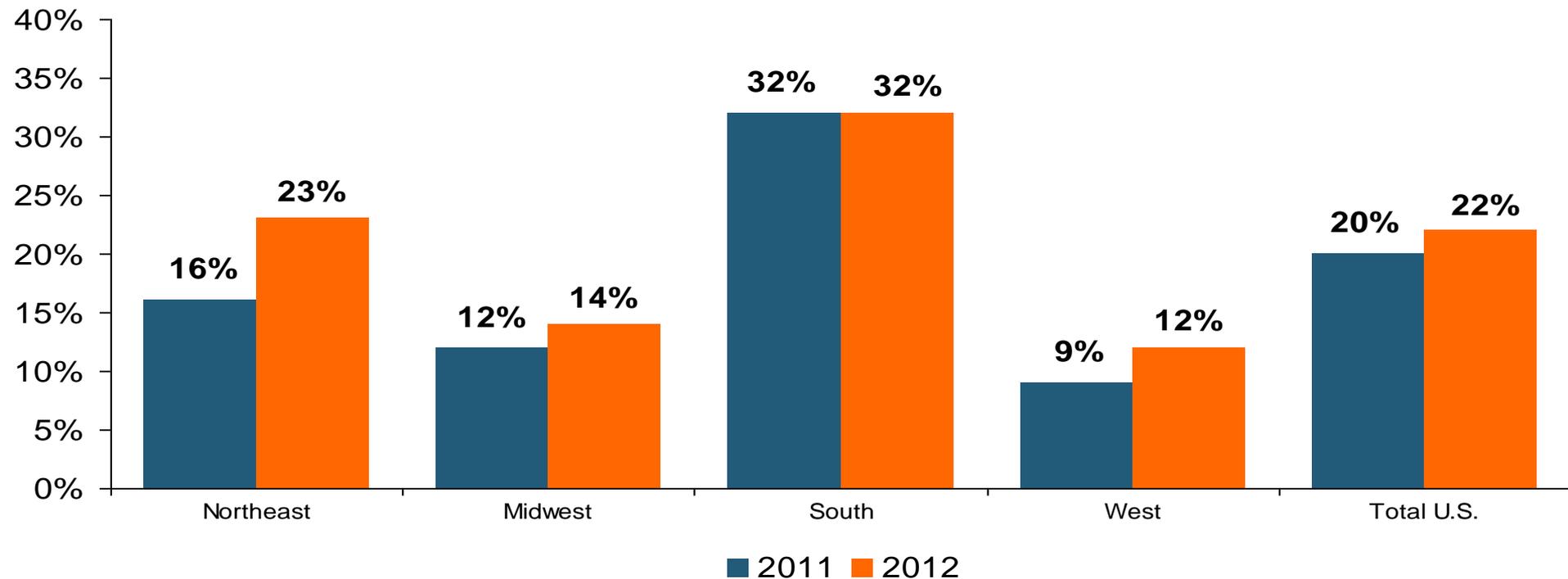
- Plan where you will go &
- How you will get there
- Practice this ahead of time.
- **Take the Ten-Minute Challenge** To find out if you are ready, do a real-time test. Give yourself just 10 minutes to get your family and belongings into the car and on the road to safety. By planning ahead and practicing, you should be able to gather your family members and pets, along with the most important items they will need, calmly and efficiently, with a minimum of stress and confusion.



Results of an I.I.I. Poll on Disaster Preparedness

I.I.I. Poll: Disaster Preparedness

Q. Does your homeowners policy cover damage from flooding during a hurricane?¹



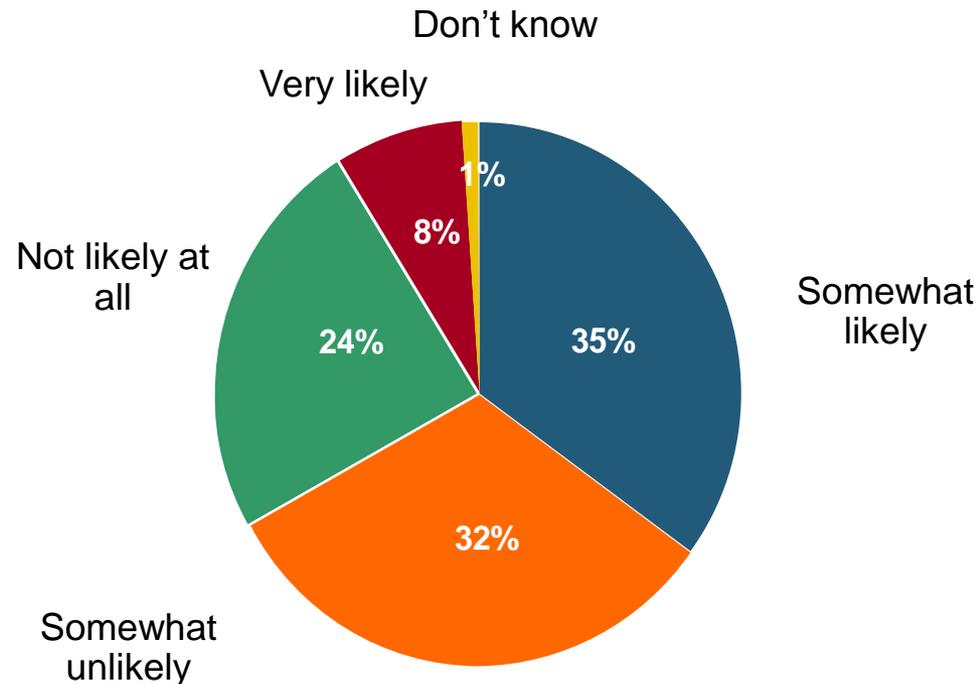
About One Out of Five Homeowners Believe Their Homeowners Policy Covers Damage From Flooding During a Hurricane. Almost a Third of Homeowners in the South Share This Belief

¹Asked of those who have homeowners insurance and who responded "yes".

Source: Insurance Information Institute Annual *Pulse* Survey.

I.I.I. Poll: Disaster Preparedness

Q. How likely do you think it is that your home may be damaged or destroyed by a hurricane, fire, flood, earthquake or other disaster? Would you say...



About Half of Americans Think It Is Likely That Their Home Will Be Destroyed by a Disaster



How to File an Insurance Claim

How to File an Insurance Claim

Settling Insurance Claims After a Disaster

Download a [PDF](#) version of this brochure.

1. Contact your agent or company immediately. Find out:

- Whether the damage is covered under the terms of your policy
- How long you have to file a claim
- Whether your claim exceeds your deductible (the amount of loss you agree to pay before insurance kicks in)
- How long it will take to process the claim
- Whether you'll need estimates for repairs

2. Let your insurance company know the extent of the damage to your home.

- If you can't live in your home because it was damaged or destroyed by an insured disaster, your insurance company will pay for reasonable additional living expenses.
- The amount is generally equal to 20 percent of the insurance on your home. This amount is in addition to the money for repairs or to rebuild your home. Some insurance companies pay more than 20 percent. Others limit additional living expenses to the amount spent during a certain period of time.
- Among the items typically covered are eating out, rent, telephone or utility installation costs in a temporary residence, and extra transportation costs

3. Make temporary repairs:

- Take reasonable steps to protect your property from further damage.
- Save receipts for what you spend and submit them to your insurance company for reimbursement. Remember that payments for temporary repairs are part of the total settlement. So if you pay a contractor a large sum for a temporary repair job, you may not have enough money for permanent repairs.
- Don't make extensive permanent repairs until the claims adjuster has assessed the damage

- 4. Prepare for the adjuster's visits:** Your insurance company may send you a proof of loss form to complete or an adjuster may visit your home first.
- Don't throw out damaged items until the adjuster has visited. You should also consider photographing or videotaping the damage. If your property was destroyed or you no longer have any records, work from memory.
 - Identify structural damage to your home and other structures such as a garage, tool shed or in-ground swimming pool. Make a list of everything you want to show the adjuster, for example, cracks in the walls and missing roof tiles. You should also get the electrical system checked. Most insurance companies pay for these inspections.

- 5. Get written bids from licensed contractors.** The bids should include details of the materials to be used and prices on a line-by-line basis. This makes adjusting the claim faster and simpler.
- 6. Get organized.** Keep copies of the lists and other documents you submit to your insurance company. Also keep copies of whatever paperwork your insurance company gives you and record the names and phone numbers of everyone you speak to.



I.I.I. Resources



MY iii

- subscriptions
- profile
- searches
- shopping cart

INSURANCE TOPICS

PRESS ROOM

MEMBERS+SUBSCRIBERS

PUBLICATIONS+STORE

SERVICES

Home

INSURANCE TOOLS

Our handy insurance tools are for consumers, media, and industry insiders.

- >> DIRECTORY
- FIND AN INSURANCE COMPANY
- GLOSSARY OF INSURANCE TERMS
- AUTO CRASH TEST

EN ESPAÑOL

El Insurance Information Institute pone a su disposición los conceptos básicos necesarios para elegir y obtener protección para muchos de estos imprevistos que ponen en peligro la tranquilidad y las finanzas familiares.

Temporada De Huracanes ¿Cómo Prepararse?

¿Qué Son Los Diferentes Tipos De Anualidades?

[ALL COVERAGE EN ESPAÑOL](#)

PUBLICATIONS

Now it's easy for you to find all of our publications. We have everything from free consumer brochures, pamphlets and books and even downloadable versions of our publications that you can get right now online.



Insurance Handbook

A guide to the insurance industry for reporters, public policymakers.



WELCOME TO THE

Insurance Information Institute:

improving public understanding of insurance—what it does and how it works.

Member Company? [REGISTER](#)

User? [SUBSCRIBE](#)



iii spotlight

Regulation Modernization

JULY 20, 2010 | [FULL STORY](#)

Congress has approved a sweeping overhaul of financial services regulation. The Dodd Frank Wall Street Reform and Consumer Protection Act establishes the Federal Insurance Office (FIO), an entity that will report to Congress and the President on the insurance industry. For a summary of the new law, see the I.I.I.'s background paper on Regulation Modernization.

CONSUMERS

Making Sure Your Home Is Properly Covered for a Disaster

iii wire

Before Installing a Swimming Pool, Consider the Insurance and Safety Implications

With temperatures soaring, a pool might seem like a good idea, but it is important to educate yourself about water safety first.

JULY 08, 2010 | [FULL STORY](#)

As You Head Out for Vacation, Protect Your Home and Your Identity Against Burglars

NFIP Policies Cover Property Damage Caused by Oil in Flood Waters

Review Your Homeowners Policy For Hurricane Deductibles

blog > [TERMS+CONDITIONS](#)



Buyers' Market Continues
JULY 20, 2010

Financial Services Reform: Just the Beginning
JULY 19, 2010

[ALL BLOG POSTS](#)

INSURANCE TOPICS

Coverage

+ Business

+ Consumer

Disasters and Risks

Insurance Industry

Features

All Coverage En Español

Insurance Coverage En Español

CONSUMER

ANNUITIES

- ¿Qué es una anualidad?
- Sección de ayuda: Preguntas y respuestas
- ¿Cómo, cuándo y por qué considerar una anualidad como parte del panorama financiero?
- ¿Qué son los diferentes tipos de anualidades?
- ¿Cuáles son las diferencias entre una anualidad fija y una variable?
- ¿Cómo y dónde se adquiere una anualidad?
- ¿En qué se diferencian las anualidades de los seguros de vida?
- ¿Cuánto se debe invertir en una anualidad?
- ¿Cómo recibir las distribuciones o pagos de las anualidades?
- ¿Que son las diferencias entre anualidades diferidas y anualidades inmediatas, y qué es una anualidad vitalicia?
- DEFINICIONES BÁSICAS DE ANUALIDADES

AUTO INSURANCE

- ¿Cómo se hace un reclamo a su aseguradora de automoviles?
- ¿Cuáles son sus derechos cuando introduce un reclamo?
- ¿Cómo se determinan el valor y costo de reparación de su auto?
- ¿Puede su compañía de seguros requerirle el uso de cierto tipo de repuestos para reparar su auto?
- ¿Cuál es la diferencia entre una cancelación y la no renovación de una póliza?
- ¿Qué se incluye en un seguro de auto?
- ¿Qué factores influyen en el precio de una póliza de seguro de auto?
- ¿Se puede manejar legalmente sin seguro de auto?
- ¿Cómo influyen las leyes estatales de conducir a la hora de comprar seguro de auto?

Much of the consumer information on the site is also available in Spanish



I.I.I. Books

The I.I.I. publishes several insurance and finance related books each year, including the Insurance Fact Book and A Firm Foundation: How Insurance Supports the Economy.

[Go to the I.I.I. Store](#)



I.I.I. Brochures

Our brochures cover topics from how to save money on homeowners and auto insurance to filing a claim after a disaster and taking a home inventory.

[See our brochures](#)



Home Inventory Software

Know Your Stuff makes creating a home inventory easy. And our new iPhone app makes it even easier to manage your inventory right from your phone (search for 'iii inventory' in the Apple app store).

Social Media Stats



828 likes



7,285 followers



599,257 video views

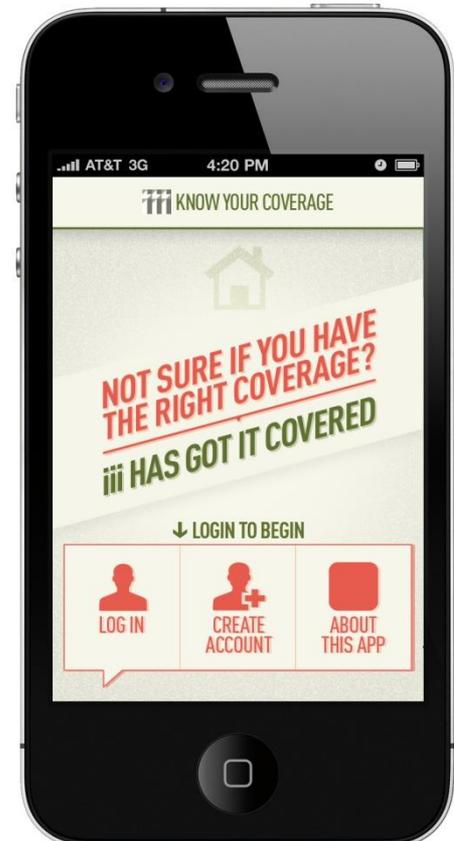


128 users have us in their circle

229,146 visitors

I.I.I. Mobile Apps

The I.I.I. is developing a branded suite of apps to provide guidance to consumers in making decisions about their insurance and preparing for a disaster.



Coverage

+ Business

+ Consumer

Annuities

Auto Insurance

Claims Filing

Credit

Disability Insurance

Health Insurance

Homeowners and Renters
Insurance

Life Insurance

Long-term Care Insurance

Safety and Mitigation

Specialty Insurance

Disasters and Risks

Insurance Industry

Features

All Coverage En Español

I.I.I. Video - Auto Insurance

EN ESPAÑOL | B-ROLLS | ALL VIDEOS



Air Bags

Air bags save lives and prevent injuries, but they can also be deadly to young children and infants. Learn ways to eliminate these ... [Read More](#)

PLAY ▶

GET EMBED CODE

YOUTUBE



Car Breakdown Safety

Breaking down on a busy road can be dangerous and every year people are hurt or even killed while repairing their cars or waiting ... [Read More](#)

PLAY ▶

GET EMBED CODE

YOUTUBE



Driving with Trucks

Sharing the road with large, heavy trucks can be dangerous, but knowing a few simple facts can keep you and your car safe.

PLAY ▶

GET EMBED CODE

YOUTUBE



Filing an Auto Insurance Claim

An auto accident is a terrible experience, but it's important to gather all the necessary information in order to be able file your ... [Read More](#)

PLAY ▶

GET EMBED CODE

DOWNLOAD

YOUTUBE



Flooded Cars

Before you buy a used car, make sure you know the vehicle's history. Learn how to protect yourself from buying a flooded car by spotting ... [Read More](#)

PLAY ▶

GET EMBED CODE

YOUTUBE



How to Avoid Buying a Flooded Car

Before you buy a used car, be sure you know the vehicle's history. I.I.I. gives you tips on how to identify a flooded car so you ... [Read More](#)

AUTO CRASH TEST

GLOSSARY

>> DIRECTORIES

FIND A COMPANY

I.I.I. SPOTLIGHT

Insurance Handbook



The I.I.I. has long been a leading source for clear, comprehensive information on property/casualty insurance as well as annuities, retirement and other life/health insurance concerns. A handy reference guide, the Insurance Handbook reflects this diversity of subjects and issues.

FULL STORY

I.I.I. VIDEO

Videos can be embedded and/or downloaded directly from the site; broadcast quality files of VNRs are available for download also

PRESENTATIONS



Dr. Robert P. Hartwig, CPCU, et al

2010 Half-Year Natural
Catastrophe Update
Webinar: Munich Re

Munich Re and the Insurance Information Institute (I.I.I.), jointly present an overview of natural catastrophe activity for the first six months of 2010.

ALL PRESENTATIONS

BLOG TERMS+CONDITIONS



Buyers' Market Continues
JULY 20, 2010

Financial Services Reform: Just the
Beginning

QUESTIONS?

ASK THE EXPERT

In our Ask the Expert section we address your most taxing insurance-related questions.

ASK A QUESTION

SOFTWARE

BUSINESS INVENTORY
SOFTWARE

KNOW YOUR STUFF®
BUSINESS INVENTORY
Online inventory software

Insuring Your Business



The screenshot shows a web browser window displaying the Insurance Information Institute's website. The page title is "Insuring Your Business: Small Business Owners' Guide to Insurance". The website features a navigation menu with categories like "INSURANCE TOPICS", "PRESS ROOM", "MEMBERS+SUBSCRIBERS", "PUBLICATIONS+STORE", and "SERVICES". A sidebar on the left lists various insurance topics such as "Small Business Insurance Basics", "Risk Management", "Property Insurance", "Liability Insurance", "Business Vehicles", "Workers Compensation", "Life Insurance For Key Employees", "If You Have A Claim", "Insurance For Specific Businesses", "Appendices", and "Web Extras". The main content area features a large heading "Insuring Your Business: Small Business Owners' Guide to Insurance" and a paragraph stating: "There are over seven million small businesses in the U.S., ranging from construction firms to grocery stores to home-based businesses. This guide helps business owners decide what kinds of insurance they need for their particular enterprise." Below this text is a small image of the guide's cover and a bullet point indicating it is available "as a book for \$6 for members plus \$3.50 shipping and handling". The browser's address bar shows the URL "http://www2.iii.org/smallbusiness/".

Site for small and middle market commercial risks; has been highlighted by major media, including the *WSJ*



HOMEOWNERS
+ RENTERS



AUTO



LIFE



BUSINESS

SEARCH >

Improving public understanding of insurance in Florida— what it does and how it works



STRAIGHT TALK

Blogging about insurance in Florida

[+](#) Share This Story



Sinkhole insurance and your options

AUGUST 16, 2010 |

Experts can predict the weather, but they can't predict **sinkholes**. We have more sinkholes in Florida than any other state, and some areas are more vulnerable to sinkholes, such as West Central Florida and Tampa Bay, and they open up when it is very dry or very wet. So, rainy season is hurricane season is sinkhole season.

[More](#)

MORE FROM THE STRAIGHT TALK BLOG

- Consumers benefit in fight against auto insurance fraud | AUGUST 13, 2010
- Sinkholes Sinking Citizens Insurance | JULY 30, 2010
- Got new stuff? Update your home inventory | JULY 26, 2010

INSURING FLORIDA WIRE

INSURANCE 101

Who regulates insurance companies?

Insurance is regulated by the states, with each state having its own set of statutes and rules. State insurance departments oversee insurer solvency, review market conduct, rule on requests for rate increases, among other things. Click on the link to learn more.

[FLORIDA OFFICE OF INSURANCE REGULATION](#)

SOFTWARE



BUSINESS
INVENTORY

Business Inventory Software

KNOW YOUR STUFF®
BUSINESS INVENTORY
Online inventory software specifically designed for businesses.

[MORE](#)



HOME
INVENTORY

Home Inventory Software

KNOW YOUR STUFF®
HOME INVENTORY
Online software to help you create a room-by-room inventory

[MORE](#)

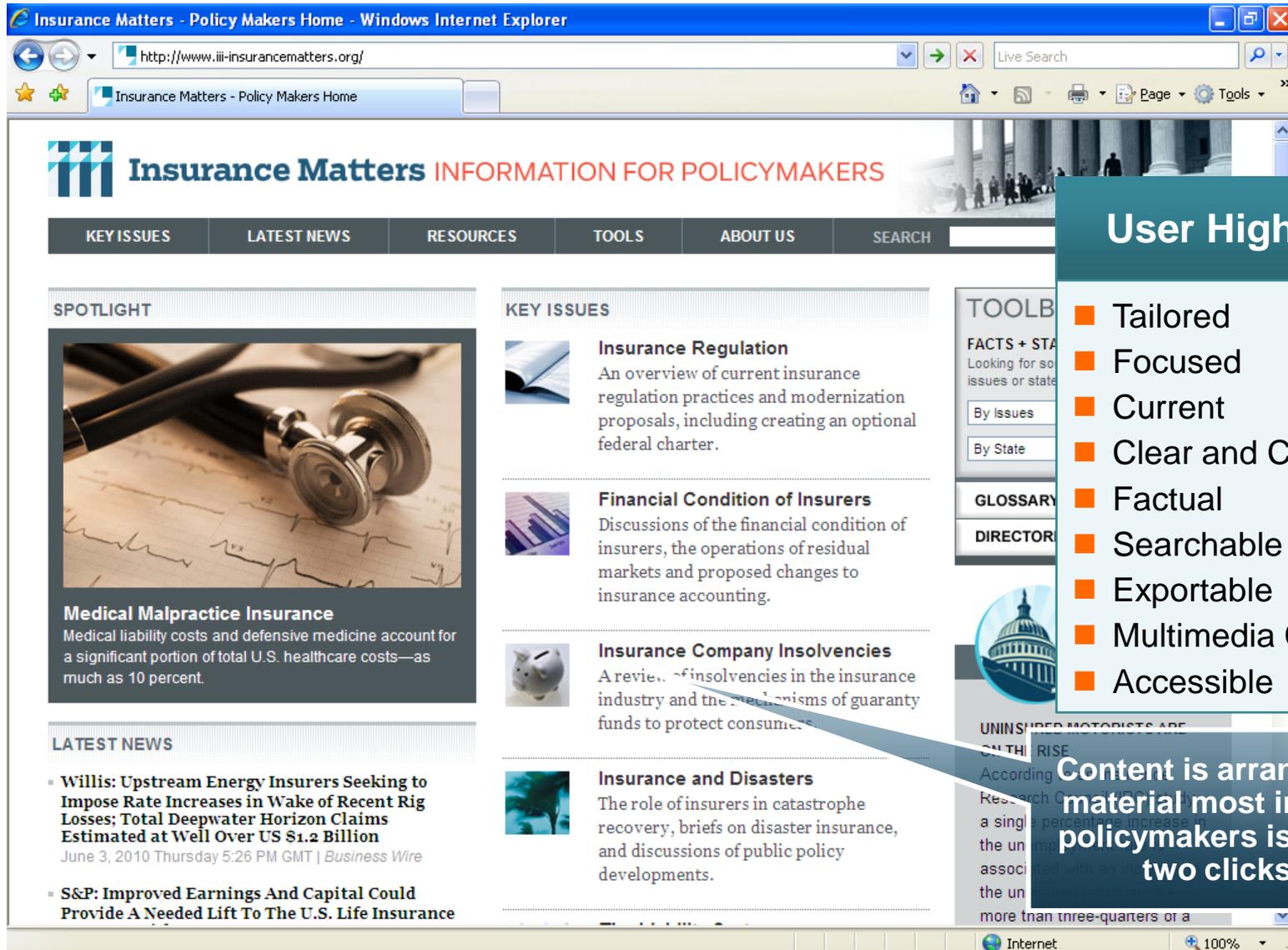
I.I.I. VIDEO



Be A Responsible Dog Owner

Dogs may be man's best friend, but as an owner you are liable if your pet bites or attacks another person or animal.

Policymakers website: *InsuranceMatters*



User Highlights

- Tailored
- Focused
- Current
- Clear and Concise
- Factual
- Searchable
- Exportable
- Multimedia Content
- Accessible

Content is arranged so that material most important to policymakers is just one or two clicks away



[Press Room](#)

[Toll-Free Claims Numbers](#)

[Brochures](#)

[Current Disasters](#)

[Past Disasters](#)

[About](#)



Flickr



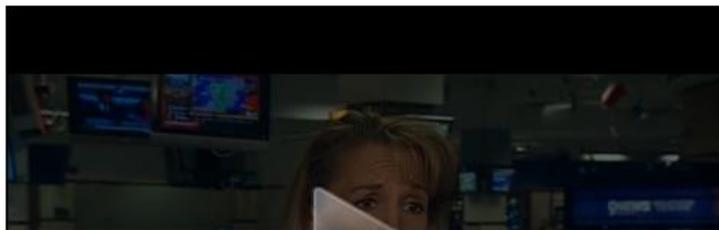
Software



CURRENT DISASTERS | **FOURMILE CANYON WILDFIRE**

September 10, 2010 at 6:57 pm - 0 Comments

VIDEO: What Fire Victims Need to Know About Insurance



Search



I.I.I. Links

[I.I.I. Directory](#)

[I.I.I. Disaster Preparedness](#)

[I.I.I. Glossary](#)

[I.I.I. Issues Updates](#)

[I.I.I. Natural Disasters](#)

[I.I.I. Videos](#)



Facts+Statistics

[Crime](#)

Each of the property crime categories tracked by the FBI dropped in 2009: motor vehicle theft (17.1 percent), larceny-theft (4.0 percent), and burglary (1.3 percent), according to the latest Uniform Crime Report.

For information

[click here >>](#)

Facts and Stats:



Insurance Information Institute Online:

www.iii.org

***Thank you for your time
and your attention!***