

Planning for Emergencies: Insurance

Would you be protected if a flood washed away your house, or if a hurricane destroyed some of your property? How about a house fire?

Taking a look at your insurance policies (or lack thereof) is an important step in protecting yourself and your family from disasters. Emergencies happen. There is no way to tell when they will hit, or how bad the damage will be. Having insurance in place will help you recover and restore your life – quickly.

The best way to prepare is to talk with your insurance agent. Ask them these questions:

What insurance policies do I have? What are their limits and associated deductibles?

Tip! Keep copies of all the policies in a safe, waterproof place. Even better, scan them onto your computer and e-mail copies to yourself in a web-based email account. That way, you have access to them from anywhere, anytime.

How is loss calculated by my insurance carrier? -- Do they insure for replacement, or just cash value? Remember that some items in your home may have no cash value (because of age and/or depreciation), so it is important that your policies still provide money to replace these goods. Often, replacement-coverage does increase your premium.

Tip! Most homeowner's insurance policies require you to report a claim immediately. As soon as you can, call your insurance company. Give them a general description of the damage. Try to get the name of your claim adjuster and a telephone number.

What is covered? -- Is your car covered? What if a tree falls on it? How about your property when it is outside of your house? Swimming pool?

Does my insurance cover expenses that might arise during a disaster? -- You and your family may stay in a hotel, need to rent a car, eat meals at restaurants if your home is damaged in a disaster – are those expenses covered?

Tip! If you do need to relocate during a disaster, keep all of your receipts. Most homeowner's insurance policies will cover these expenses.

What disasters does my policy exclude coverage for? -- Your insurance may not cover you for hurricanes or other natural hazards. Make sure you are covered. If you are not, ask your agent to expand your policies.

What about flood or disaster insurance.... do I need these? -- Remember, most homeowners insurance policies do not cover damage caused by flooding. You need a separate policy from the National Flood Insurance Program for this.

Do I need special coverage for my artwork, antique collection, collectibles, or home office?

-- The answer is often 'yes.'

Tip! Do you know everything you own that might be covered under your insurance? The best way to make sure is to photograph every room, closet and storage area with a digital camera. Back-up these photographs. This way, you have a visual record of what was in your house – and that information could be critical when it comes time to file a claim.

How long will it take to be paid on a claim? -- You might be surprised. This can take a long time.

Tip! When your insurance company sends you a claim form, complete and return it as soon as possible. There is often a requirement that they be returned within a certain period of time.

Lastly, just a note for you. Do not think that the government will always help. -- A disaster must be very serious and affect a large number of people for government aid to be made available. When aid is available, it will only make your house safe and secure – it will *not* replace your property or fully restore your home. Adequate insurance coverage can do much more.

Tip! Even if you have insurance, if disaster relief is made available by the Federal Emergency Management Agency, you should apply for it. If there are gaps in your coverage, FEMA may be able to help.