

INSURANCE FACTS

for Pennsylvania Consumers

Are you ready if a
disaster
strikes?

1-877-881-6388

Toll-free Automated *Consumer Line*

www.insurance.pa.gov

Pennsylvania Insurance Department Web site

Wind, rain, ice, snow and floods can severely damage your home or business, but there are steps you can take to be prepared. This brochure provides guidelines that can assist you before and after a disaster strikes.

If you have questions, you can contact the Pennsylvania Insurance Department by calling our toll-free automated *Consumer Line* at **1-877-881-6388**, visiting our website at www.insurance.state.pa.us or contacting any of our four regional offices listed on the back cover.

GET READY FOR BAD WEATHER!

Tips to help you prepare for weather related disasters:

1. **Review your insurance coverage to make sure it is adequate.** Hurricane damage is covered under a standard homeowner's policy, but it is important to insure your home and belongings to their full replacement cost. Flooding generally is not covered under standard homeowners policies, so ask your agent about the National Flood Insurance Program. If you rent a house or apartment, talk to your agent about purchasing a renter's insurance policy.
2. **Learn the facts about flood insurance.** You can protect your home, business, and belongings with flood insurance from the National Flood Insurance Program (NFIP). Your home can be insured against flood damage for up to \$250,000 for the building and \$100,000 for the contents. The average flood insurance policy costs about \$300 a year for about \$100,000 of coverage. (A disaster home loan can cost more than \$300 a month for \$50,000 over 18.5 years!) NFIP flood insurance can be purchased from private insurance companies and agents. Whether you rent or own your home or business, make sure to ask your agent about contents coverage. It is not automatically included with the NFIP building coverage.

There usually is a 30-day waiting period before the flood coverage goes into effect. For more information, contact NFIP at 1-800-638-6620.

3. **Plan now for a future claim.** Create an inventory of your personal property, including all model names and serial numbers. Do not overlook items you use seasonally or infrequently and store in out-of-the-way places: special china and silverware, holiday decorations, summer and winter sports equipment, carpentry tools, and baby-care furnishings. Keep sales receipts and photograph or videotape each room. Store the inventory information off the premises, such as with a relative or in a safe deposit box. Keep the telephone numbers of your insurance agent, your insurance company's local claims office, and its home office readily at hand.

The Pennsylvania Insurance Department does not administer the National Flood Insurance Program, however it does oversee the industry professionals who sell the policies and handle claims. The Department is involved in working with flood victims, FEMA officials, and others in the event of natural disasters and often has a representative present at Disaster Recovery Centers.

BAD WEATHER: EVERYONE IS AT RISK!

If you have experienced weather damage to your home or property, take the following steps:

1. Contact your insurance company immediately to report your loss. If you have flood insurance, start by calling your insurance agent to report your claim. The agent will prepare a Notice of Loss form and an adjuster will be assigned to assist you. Follow the instructions given to you by claims personnel. Since there may be a lot of people needing help at the same time, anything you have done before the disaster to prepare for a loss will be to your benefit now.
2. Take notes. Start from the beginning and keep a log of the people you spoke to and when. Summarize your conversation. Ask questions if you do not understand instructions. If possible, photograph the outside of the premises, showing the flooding and the damage. Also, photograph the inside of the premises, showing the damaged property and the height of the water.
3. Figure out the extent of the damage. Separate the damaged from the undamaged property and put it in the best possible order for the adjuster's examination. If possible, protect the property from further damage.
4. Wait for the adjuster to arrive! Do not call anyone to repair or replace your loss without first getting instructions from your adjuster. Your insurer's visual inspection of your loss may be necessary before repairs are undertaken. Do not throw away damaged property until your company's adjuster advises you it is all right to do so. If your home is damaged, make only temporary repairs until a claims adjuster looks at the damage. Making permanent repairs before the adjuster's inspection could trigger a denial of your claim.

IF YOUR WEATHER RELATED CLAIM IS DENIED . . .

After almost every major storm, some consumers feel that the insurance company improperly rejected their claims or unduly delayed payment of settlements. If you think your claim is being denied unfairly, follow these procedures:

1. **Review the terms of your policy.** Insurance policies are very specific. It is usually a fairly simple matter to determine whether the policy covers a specific weather-related problem.
2. **Appeal to your agent or the insurance company's claims manager.** Explain your side of the matter. Provide copies of supporting documents. Also, send a letter and documents to the claims executive at the insurance company's headquarters whose address is usually found on the first page of the policy.
3. **Contact the Pennsylvania Insurance Department.** If, after hearing from your insurance company's claims executive, you still feel your claim hasn't been handled properly, it may be time to contact the Department at **1-877-881-6388**. Explain your situation to the consumer representative. If your situation is substantiated, he or she will intervene to the insurance company on your behalf.
4. **If necessary, consult an attorney.** If you decide to hire an attorney, make sure that you understand the fee structure before you decide to pursue the case and get it in writing. Once you hire an attorney, it is your responsibility to provide a copy of your insurance policy and all other relevant documents. If the company attempts to contact you, notify your attorney. The attorney will work directly with the insurance company on your behalf. If the insurance company makes a settlement offer, your attorney must have your agreement before committing to any settlement.

IF IT'S TOO GOOD TO BE TRUE, IT PROBABLY IS!

Unfortunately, disasters bring out the worst in some people. You are at your most vulnerable when disaster strikes, so be wary of people who try to cash in on your misery.

You always must be on your guard for **home repair con artists**, who overcharge, perform shoddy work and often leave without finishing the job. What can you do to find a quality contractor in the wake of a weather-related disaster? Consider these tips:

- Watch out for fly-by-night operators. Be wary of builders or contractors who go door-to-door selling their services, especially those who are not known in your community. These individuals may offer dramatically reduced prices because they've supposedly just completed work nearby and claim to have materials left over.
- Make sure you are working with a credible firm.
- Deal only with licensed and insured contractors.
- Investigate the track record of any roofer, builder or contractor you're thinking of hiring.
- Ask friends, relatives, neighbors, co-workers, insurance agents or claims adjusters for recommendations.
- Consult your Better Business Bureau to see if there are any complaints on file about the individual or company in question.
- Don't let a smooth-talking con artist talk you into participating in a scheme to submit a phony insurance claim. You may be tempted by the promise of making some quick money, but you probably would be judged every bit as guilty as the contractor.

- Remember that a fast-buck attempt to rip-off your insurance company is one way that a weather disaster can be made into something even worse.
- In Pennsylvania, insurance fraud is a felony crime carrying stiff penalties for those convicted.

When it comes to flood insurance, **you need to know the difference between public and private adjusters.**

Private adjusters are either employees of insurance companies or non-employees who contract directly with insurance companies. When disaster strikes, an insurance company often will send a private adjuster to appraise the loss and determine the amount of damages that have been suffered.

Public adjusters deal directly with people possessing insurance. Their fee is deducted from any insurance proceeds paid to the consumer. Like the private adjuster, the public adjuster appraises losses in order to determine the amount of damages involved. Some public adjusters will promise people that they can negotiate a better settlement from the insurance company because they work for the consumer. However, the settlements are not uniformly better than those achieved by private adjusters, plus the fee always is deducted from the claim settlement offered by the insurance company.

For more information about dealing with private and public adjusters, contact the Pennsylvania Insurance Department.

FACTS ABOUT FLOOD INSURANCE

- Damages due to flooding generally are excluded from coverage under standard homeowners policies.
- Flood insurance can be purchased for any insurable property, even if it is not located in a flood plain. A flood insurance policy can cover almost any building, including rental property and condominiums. Tenants can buy separate protection for their belongings.
- Flood insurance policies insure against damages due to the partial or complete flooding of normally dry land from overflow of inland or tidal waters, unusual and rapid accumulation or runoff of surface waters from any source, or mud slides or mud flows that are caused by flooding.
- Flood insurance pays actual cash value of property damaged by flood, mud slide and flood related erosion. Replacement coverage also is available. Seepage and damage caused by sewer backup are not covered unless they are directly caused by flood.
- Flood insurance can be purchased through any property or casualty insurance agent licensed in the Commonwealth. You may contact the National Flood Insurance Program at 1-800-427-4661 to obtain the name of an agent in your local area.
- Generally, there is a 30-day waiting period for flood insurance policies to become effective.
- To file your flood insurance claim:
 - Contact your agent immediately.
 - Make a list of all the possessions in your home and other insured property.
 - Obtain as many receipts and photographs of items as possible and keep them in a safe deposit box or other secure place.
 - Videotape the interior of your residence, if possible.
- Information on the Federal Flood Insurance Program, including how to fill out claims, coverage issues, companies participating and selling flood insurance and a list of federal and state contacts also can be obtained from United Homeowner's Association (UHA) through its Internet site at www.uha.org.

For more information, please contact the Pennsylvania Insurance Department's toll-free automated *Consumer Line* at **1-877-881-6388**, visit our website at www.insurance.pa.gov, or phone one of our regional office:

Harrisburg Regional Office
Room 1321 Strawberry Square
Third and Walnut Streets
Harrisburg, PA 17120
(717) 787-2317
fax (717) 787-8585
TTY/TDD: (717) 783-3898

Are you ready if a disaster strikes?



**A consumer service initiative of the
Pennsylvania Insurance Department**
1-877-881-6388
www.insurance.pa.gov