

INSURANCE RECOVERY: PRACTICAL TIPS FOR INDIVIDUALS FOLLOWING HURRICANE HARVEY

WHERE CAN I GET MY INSURANCE POLICY?

REQUEST A COPY OF YOUR POLICY FROM YOUR INSURANCE AGENT.

- Remember that the insurance agent is not an employee of the insurance company, but is likely under an agency agreement with the insurance company. Due to this agency relationship, your insurance agent cannot function as your advocate on your claim.
- Keep track of your communications with your insurance agent on your claim. Communicate by email as much as possible and save your emails.

DON'T FORGET TO ASK FOR COPIES OF AUTOMOBILE POLICIES OR ANY SEPARATE POLICIES FOR PERSONAL PROPERTY THAT MIGHT HAVE BEEN DAMAGED.

WHAT DO I DO ONCE I HAVE MY POLICY?

CHECK TO MAKE SURE THE POLICY IS COMPLETE.

- Home insurance policies generally consist of three key parts: (1) the declarations, (2) the policy form, and (3) endorsements.
- The declarations section schedules the name of the policyholder, the address of the insured property, and the applicable deductible and limits. The declarations usually includes a list of all the form numbers that should be included with the policy form and the endorsements. Check to make sure you can find each form number within your copy of the policy. If not, ask your insurance agent for the missing pieces.
- The policy form contains the basic coverage terms. The endorsements amend the policy form, often in significant ways (e.g., an endorsement might add coverage for certain kinds of water damage).

LOCATE PROVISIONS OF THE POLICY EXPLAINING HOW TO MAKE A CLAIM.

- Homeowners policies often have a 24-hour telephone line for reporting claims.

BEGIN TO REVIEW POLICY PROVISIONS TO DETERMINE WHAT IS COVERED AND HOW THE LOSS WILL BE ADJUSTED (I.E., HOW THE INSURANCE COMPANY WILL DETERMINE THE AMOUNT OF THE LOSS AND WHAT YOUR RESPONSIBILITIES WILL BE IN THAT PROCESS).

- Determine whether the insurer will assign an insurance adjuster to review the damage to your home and whether you need to prepare a proof of loss.
 - If you must prepare a proof of loss, make sure you are aware of the deadline for submitting it to the insurer.
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WHAT DO I NEED TO KNOW ABOUT FLOOD INSURANCE?

- Standard homeowners insurance policies typically do not cover damage caused by a “flood.”
- The vast majority of homeowners who have flood insurance purchase separate flood policies through the National Flood Insurance Program (“NFIP”), managed by the Federal Emergency Management Agency (“FEMA”).
- For individuals, flood insurance through the NFIP has a maximum coverage limit of \$250,000 for damage to a home, and a maximum coverage limit of \$100,000 for the contents of a home.
- For small businesses, flood insurance through the NFIP has a maximum coverage limit of \$500,000 damage to a building, and a maximum coverage limit of \$500,000 for the contents of the business.
- A small percentage of residential flood policies are placed on the private market instead of through the NFIP. If your flood policy is one of these, it is not subject to the NFIP coverage limits and must be reviewed for its own terms.

WHAT IF I DON'T HAVE FLOOD INSURANCE?

- Make a claim on your homeowners insurance policy anyway. Some portion of the damage may have been caused by a covered risk, such as a windstorm.
- Carefully review the adjuster's report when it is available. You may be able to contest the extent of the damage caused by a covered risk.

WHAT CAN I DO TO HELP DOCUMENT MY LOSS?

- Take pictures of the damage and save them.
 - Locate and separate damaged property within the house (e.g., furniture, appliances, etc.) from undamaged property.
 - Make a list of all of your damaged property. It's important to document every loss from shoes to bedding to refrigerators. Be as specific as you can on the forms, including model numbers and brand names. Find receipts if you've remodeled recently or bought new appliances so you can use them as evidence of value. FEMA has an inventory list that is available online. https://www.fema.gov/media-library-data/1404409110266-d93226fb52d05ff0dcb9eb036719cd3e/FEMA_Form_086-0-6.pdf ; Insurance companies also have inventory lists available for downloading and printing. This is the inventory form from State Farm: https://static1.st8fm.com/en_US/content_pages/1/pdf/us/home-inventory-checklist.pdf
 - Document and follow any instructions provided by the insurance adjuster.
 - Be present when the insurance adjuster visits your home to assess damage. Point out anything the adjuster may have missed.
 - As you go through the process, write everything down in a special notebook. Take notes of conversations with the insurance adjuster, FEMA officials and friends and neighbors who have gone through the process. If you run into troubles later in getting payments, you can refer back to those notes.
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WHAT ABOUT DAMAGE TO MY CAR?

- Auto insurance often covers damage to vehicles caused by floods, especially if you purchased “comprehensive” coverage for your auto policy.

ARE THERE ANY OTHER SOURCES OF RECOVERY?

- If you have uninsured losses, you may be eligible for help from FEMA. Go to <https://www.disasterassistance.gov/> to learn more.
- You may have a claim against an insurance agent or insurance company if they misrepresented the scope of your policy coverage (e.g., explained that you would be “fully covered” or suggested you would have flood coverage when you do not).
 - Search your email for communications with your insurance agent at the time you purchased the policy.
 - Review marketing material from your insurance agent and insurance company provided at the time you purchased your policy.
- You could also have a claim against an insurance agent or insurance company if they do not comply with claims handling requirements after you report a claim (e.g., if the insurer takes longer than 15 days to acknowledge a claim, wrongly delays paying a claim, wrongly denies a claim, etc.).
 - Keep track of all your communications with your insurance agent or insurance company on your Harvey claim.
 - If you have a telephone call with your insurance agent or a representative of your insurance company, send yourself an email explaining what was said on the call and marking the date and time of the call.

WAS THERE REALLY A SEPTEMBER 1 OR AUGUST 31 DEADLINE TO REPORTED A HARVEY CLAIM?

- No, there was no “deadline” to file claims. If you have not already reported a claim, you can still do so. The insurer remains contractually bound to pay claims under the policy.
- The change to Texas law effective September 1 relates to statutory requirements for the way an insurer handles a claim after you report it. If the insurer complies with all claims handling requirements, the date you reported your claim does not matter.
- If the insurer violates a claim handling requirement and you reported your claim by August 31, the insurer is subject to an 18% interest penalty. If the insurer violates a claim handling requirement and you reported your claim on September 1 or after, the insurer is subject to a 10% interest penalty.
- Any flood policies purchased through the NFIP are not subject to this change, because they are not governed by Texas law.
- The claims handling requirements that apply to standard homeowners policies in Texas do not apply to NFIP policies.

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