

# 10 facts you should know about weather-related home insurance claims

By [Marjorie Musick](#) from Insure.com - Last updated: Oct. 29, 2014

Weather-related home insurance claims can be a whole separate ball game from other home claims.

"Weather losses are always more complicated because you've got thousands of people experiencing losses at the same time. These events are taxing on the entire community, whereas if you have one loss, such as a water main break in your building or a fire loss, as devastating as it may be to the homeowner, they still have access to necessary things such as hotel rooms, lawyers, insurance agents, etc.," says Ron Papa, president and CEO at National Fire Adjustment Co. in Buffalo, N.Y., a public insurance adjuster firm.

Here are 10 things homeowners should know about weather claims.

## 1. FEMA only pays for temporary living expenses

If a home is destroyed in a storm that is later declared a disaster by the federal government and grants are made available, claims still need to be made through the homeowner's primary insurance company, according to John Marini, chief operating officer and vice president at Adjusters International in Syracuse, N.Y.

"Policyholders should understand that their home insurance is their primary source of coverage. FEMA only pays *after* insurance. For example, when Hurricane Sandy hit the east coast, FEMA determined that there was enough damage to make an 'individual assistance' declaration and they provided grants to homeowners to help them with temporary living expenditures such as finding food and shelter, etc. These grants were not intended to rebuild their homes," says Marini.



## 2. One storm can be categorized as multiple events requiring separate deductibles

When the tornadoes hit Oklahoma City in May 2013, many homes were destroyed. For those homeowners who sustained property damage, what seemed like one large storm was labeled by their insurance companies as multiple tornadoes. Why does this matter? Because multiple tornadoes require separate deductibles.

"One of the biggest issues that we're having in Oklahoma is that from May 19 to May 31, there were tornadoes that were constantly happening and the rain didn't stop. A lot of people had additional damage on May 31 because their roof was torn open on May 20. The reason why this matters is that some insurance companies are starting to call these separate storms and are applying two deductibles. Homeowners should be aware of this when saving up funds for emergencies," says Alice Young of public adjusting firm Brown - O'Haver in Oklahoma City.

### **3. There is a 30-day waiting period for flood insurance to kick in**

Many people may not be aware that flood insurance is something that you have to purchase separately from your regular home insurance policy, says Stephen Figlin, senior vice president of Young Adjustment Company in Philadelphia. He notes that the National Flood Insurance Program (NFIP) is administered by a group of insurance companies that were selected by FEMA to manage the program.

"Today, one of my clients asked me why they got a letter of the extension from FEMA when their [flood] insurance policy was purchased through Travelers. I explained that Travelers is only the service entity for NFIP through FEMA. Since there's no flood insurance coverage in your typical homeowner's policy, NFIP policies must be purchased in order to be reimbursed for flood damage," says Figlin.

And if there's a storm approaching, it's already too late to buy flood insurance. There's a 30-day waiting period after the purchase before the coverage actually takes effect.

### **4. Catastrophe claims take a *long* time**

When storms hit, almost every homeowner affected files insurance claims immediately following the event. This means that insurance company adjusters are inundated with claims, phone calls and questions.

"In emergency situations, people have to understand that due to the large volume of claims that can happen at one time, it sometimes takes longer than usual for insurance professionals to arrive on the scene, work with them and turn around results," says Figlin. "Although these can be very stressful events for consumers, I advise homeowners to be patient with the process."

### **5. Catastrophe adjusters can change frequently so document everything**

During catastrophes, insurance companies may send in large teams of adjusters to deal with the high volume of claims. According to Papa, catastrophe adjusters are often not permanent employees of the insurance company but rather contractors who are hired on a loss-by-loss basis to handle weather disasters across the nation. For that reason, they may only be available for a short time.

"Unfortunately, catastrophe adjusters may move on to other areas or go back home before claims are closed and then homeowners have to start again when the next group of adjusters arrives on the scene. This can be very frustrating for consumers. I recommend that homeowners keep their own files and document everything, including who they have spoken to and what they have been told. This way, they won't have to start from ground zero every time their file changes hands," says Papa.

### **6. Volunteers can remove items and make it hard to get claims paid**

Removal of debris by volunteers can be a major problem when it comes time for homeowners to submit property inventories to their insurance companies. Young said that after the tornadoes hit Oklahoma, volunteers from all over the world came to help those who were affected by the storms. Although their intentions were good, some volunteers threw away damaged items that had not yet been accounted for by homeowners.

"We appreciate the volunteers. It's just that the volunteers don't always understand the insurance process, and neither do the insureds. So, after the tornadoes, all these volunteers were coming in and they were trying to help by taking things off of the property and throwing them away. This resulted in

many residents not being able to get a full inventory of their belongings. I suggest that homeowners use their volunteers to their advantage by asking them to help make lists of damaged goods without removing any debris," says Young.

### **7. Extreme weather events are occurring more frequently**

It may seem like weather events are occurring more often. Bonnie Schneider, meteorologist at CNN and Bloomberg in Atlanta, notes that extreme weather is impacting more people in a variety of ways.

"In 2012, there were 3,527 monthly weather records broken for heat, rain, and snow in the U.S. according to the National Climate Data Center," says Schneider. "Last year we saw Superstorm Sandy, and the damage of that storm in the Northeast was estimated at approximately \$80 billion. This year, the floods in Colorado and the wildfires in California have been especially devastating. I reported on the Rim fire [near Yosemite National Park] for Bloomberg TV. It burned 257,135 acres and at one point threatened San Francisco's water supply. And if you look at California, for example, two of the state's top five wildfires occurred in 2012 and 2013."

### **8. Many people are underinsured for storm damage**

A large percentage of homeowners hit by recent hurricanes, tornadoes and wildfires were underinsured, says Amy Bach, executive director of United Policyholders, a consumer advocacy group in San Francisco.

"We have found that many homeowners are not able to rebuild after weather disasters because their policies weren't large enough to cover the costs," said Bach. "In United Policyholders' '2012 Colorado Wildfire One-Year Survey Results for the High Park and Woodland Heights Wildfire,' 54 percent of survey respondents reported being underinsured on their dwelling by an average of \$101,000. Results were similar in our surveys of consumers affected by the 2011 Central Texas Wildfire, the 2010 Fourmile Canyon Wildfire and the 2010 San Bruno Gas Explosion/Fire Survey Results. I recommend that homeowners get at least two opinions about the replacement value of their home for purposes of setting adequate dwelling limits so they can make sure that their policies will cover the cost of rebuilding if disaster strikes. Be careful about relying 100 percent on the number set by your insurer."

### **9. Wildfires are treated like regular fires**

A fire is a fire. Insurance policies don't differentiate between wildfires and, say, kitchen fires.

"They're considered the same thing. The problem is that most [wildfires] are total losses," says Scott deLuise, president of Matrix Business Consulting in Broomfield, Colo.

### **10. Homeowners may need to hire an engineer after a weather disaster**

Weather claims can raise serious questions about what damage was caused by the storm and what was pre-existing.

"If the insured is going to spend money on one thing, they need to get their own engineer after a weather event, because they need to know for themselves whether or not the damage was caused by the weather event. If it is, then they need to have support for this finding from an engineer," says Young. "What we're seeing a lot in Oklahoma is that insurance companies are trying to say that the houses are just settling and that [damage] happened before the tornado rather than as a result of the tornado. Engineers can counter those statements."

After any damaging weather event, Papa advises consumers to notify their insurance companies immediately, take photographs of all damage and try to prevent further property loss by securing the area.

Public insurance adjusters, who are adjusters hired by homeowners, can help organize and submit successful claims and are especially helpful for large losses.

"Weather claims can be especially challenging, but the sooner you get the claims process started, the better," Papa says.

<http://www.insure.com/home-insurance/weather-related-home-insurance-claims.html>