



**Because Your Family Matters**  
**An Insurance Disaster Preparedness Review**  
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# Agenda

- What is the Maryland Insurance Administration (MIA) and what does it do?
- What is a disaster?
- General Preparedness Tips
- Insurance Preparedness Tips
  - Coverages, Deductibles, Exclusions, Limits
- National Flood Insurance Program (NFIP)
- The Claims Process

# Maryland Insurance Administration

- The MIA is the state agency that regulates Maryland's insurance market.
- We ensure that insurers act in accordance with insurance laws.
- The MIA investigates and resolves complaints and questions about insurers that conduct business in Maryland.

# What is a disaster?

- A disaster is a sudden event—such as an accident or a natural catastrophe—that causes great damage or loss of life.
- Examples of disasters:
  - Tornados (extreme windstorms)
  - Floods
  - Hurricanes and tropical storms
  - Widespread and localized fires

# General Preparedness Tips

- Maintain all contact information for your insurance company/agent, such as names, phone numbers, etc.
- Protect your records, such as your insurance policies, personal inventory, receipts and any other critical information.

# General Preparedness Tips

- To create a personal property inventory you can:
  - Take pictures or videos of your belongings.
  - Use the NAIC MyHOME Scr.APP.book app, available for download to your smartphone.
    - [www.insureuonline.org/insureu\\_type\\_home.htm](http://www.insureuonline.org/insureu_type_home.htm)
  - Use the worksheet in the MIA’s “An Insurance Preparedness Guide for Natural Disasters” publication.

# General Preparedness Tips

- Know how to shut off the gas, electricity, or water and how to board up vulnerable places around the house.
- Make an emergency plan and practice it with your family.
- Sign up for community alerting systems.
- Purchase emergency supplies, such as a generator or non-electric heat source, non-perishable foods, bottled water, and flashlights.

# General Preparedness Tips

Put together a go-bag, a type of disaster supply kit, that includes, but is not limited to:

- Flashlight and batteries
- Cash
- First aid supplies and medications
- Water

For more information on what should be in a go-bag, visit [www.ready.gov/build-a-kit](http://www.ready.gov/build-a-kit).

# Insurance Preparedness Tips

## Do you have the *right* insurance coverage?

- Make sure you have the right coverage for your home and all of its contents.
  - Homeowners policies do not cover floods.
- Make sure you have comprehensive coverage for your automobile.
  - If you have liability only, your auto insurer will not pay for damage to your own vehicle due to a disaster.

# Insurance Preparedness Tips

## Do you have the *right* insurance coverage?

Know if you have an ACV or RCV policy.

- ACV - Actual Cash Value: the cost to replace the damaged personal property with “like kind or quality” minus depreciation for age and use.
- RCV - Replacement Cash Value: the cost to replace the damaged personal property with “like kind or quality” up to policy limits without depreciation.
  - It’s important to remember, you will not receive replacement cost until you actually replace the damaged items.
  - This coverage costs more to purchase.

# Insurance Preparedness Tips

## Do you have *enough* insurance coverage?

- Make sure you have enough coverage to repair or rebuild your home in the event of a disaster.
- Ask your agent or insurer about purchasing coverage for inflation.
- Notify your agent or insurer if you make improvements or additions to your home to ensure they are covered.
- Determine whether you need additional coverage for antiques, collectibles, jewelry, computers, or other expensive items.

# Insurance Preparedness Tips

## Do you have *enough* insurance coverage?

Are your policy limits appropriate?

- Most insurers require that you maintain policy limits that are a certain percentage of the value of the replacement cost of your home (typically 80%).
- Ask your agent or insurance company to explain to you what happens if you fail to maintain proper policy limits.

# Insurance Preparedness Tips

## Do you have *enough* insurance coverage?

Be familiar with your local building codes.

- If your home is damaged during a disaster, you may be required to perform expensive upgrades to your property to comply with your county's current building codes.
- Ask your agent or insurance company if they offer building ordinance or law coverage.

# Insurance Preparedness Tips

## Know what is *not* covered.

- Most homeowners, renters, and condo insurance policies exclude the following from coverage:
  - Mudslide
  - Earth Movement
  - Groundwater or seepage
  - Flood
    - Flood insurance is a separate policy from your homeowners, renters, or condo insurance policy. For more information, go to [www.floodsmart.gov](http://www.floodsmart.gov).

# Insurance Preparedness Tips

## Know what *you* will have to pay.

- Know what your deductibles are.
  - Some policies have a separate percentage deductible for certain types of events, for example wind.
  - Some policies have a deductible based on the amount of insurance coverage on your home.
- Know what your policy limits are.
  - Most homeowners policies only pay \$500 for tree removal, regardless of how many trees.
  - [www.insurance.maryland.gov/Pages/newscenter/NewsDetails.aspx?NR=201219](http://www.insurance.maryland.gov/Pages/newscenter/NewsDetails.aspx?NR=201219)

# Insurance Preparedness Tips

## Know what *you* will have to pay.

- You may have to pay for some items out of pocket, and then submit for reimbursement.
  - Additional living expenses such as food, hotel, and laundry.
  - Recoverable depreciation if you have an RCV policy.
  - Expenses to protect your property from further damage.

# National Flood Insurance Program

## What is considered a *flood*?

- Flooding can be caused by heavy rain, overflowing rivers, or mudslides.
- You do not need to live near a body of water for your property to be flooded.
- In July of 2016, heavy rains caused Ellicott City to flood, damaging many homes and businesses.

# National Flood Insurance Program

## Consider whether you should buy flood insurance.

- Your homeowners insurance does not cover flooding.
- If you decide to purchase flood insurance, your agent should be able to help.
- Flood policies have a 30 day waiting period, so don't wait until a storm is on its way to purchase coverage.
- For more information about flood insurance, you can call the NFIP hotline at 1-800-427-4661 or visit [www.floodsmart.gov](http://www.floodsmart.gov).

# The Claims Process

## A loss has occurred, now what?

- If filing a claim, contact your agent or insurance company's loss reporting department.
  - You can find their number on your insurance card or your company's website.
- Mitigate your damages – this may include using tarps and/or plywood to protect your property. You need to make sure, to the extent possible, that no additional damage occurs to your property.
  - Take only those steps necessary to prevent further damage. You may not be reimbursed for additional unauthorized repairs.

# The Claims Process

## A loss has occurred, now what?

- Document your entire loss with lists, photos, and/or videos.
- Be sure your insurance company's adjuster has an opportunity to inspect all damaged property before disposal.
- Keep all receipts for emergency repairs and any additional living expenses.
- Prepare an inventory of all damaged or destroyed property.

# The Claims Process

## What if I need help with my claim?

- You may hire a public adjuster to help you. If you do, it's important to remember the following:
  - A public adjuster is your representative in the claim process.
  - You are responsible for paying the public adjuster.
  - Your insurance company is not required to agree with your public adjuster.
  - For more information, visit [www.insurance.maryland.gov/Consumer/pages/publicadjuster.aspx](http://www.insurance.maryland.gov/Consumer/pages/publicadjuster.aspx).

# The Claims Process

## Choosing the right contractor.

- You have the right to choose the contractor to perform repairs to your property.
- Before you hire a contractor, make sure they are licensed.
- Contact the Maryland Home Improvement Commission at 1-888-218-5925 or visit [www.dllr.state.md.us/license/mhic/](http://www.dllr.state.md.us/license/mhic/) for more information.

# Contact Information

- Maryland Insurance Administration
  - 1-800-492-6116
  - [www.insurance.maryland.gov](http://www.insurance.maryland.gov)
- National Flood Insurance Program
  - 1-800-427-4661
  - [www.floodsmart.gov](http://www.floodsmart.gov)
- Maryland Home Improvement Commission
  - 1-888-218-5925
  - [www.dllr.state.md.us/license/mhic/](http://www.dllr.state.md.us/license/mhic/)

# Contact Information

- Maryland Emergency Management Agency
  - 1-877-636-2872
  - [www.mema.maryland.gov/](http://www.mema.maryland.gov/)
- Federal Emergency Management Agency
  - 1-202-646-2500
  - [www.fema.gov](http://www.fema.gov)

# Publications on MIA's Website

Check out the following publications for more information.

- An Insurance Preparedness Guide for Natural Disasters
- A Consumer Guide to Disaster-Relief Resources
- Consumer Guide to Homeowners Insurance
- Why Renters Insurance is a Good Idea
- Should I Hire a Public Adjuster to Help Me Settle My Claim?
- Consumer Guide to Auto Insurance
- Property Damage – What to Do After A Loss
- Weather Related Damage – Frequently Asked Questions about Insurance Coverage

Questions?