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)
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.
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.
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.
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.
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.
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/ 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/

• Federal Emergency Management Agency
  – 1-202-646-2500
  – 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?